



Digitized by the Internet Archive
in 2022 with funding from
University of Toronto

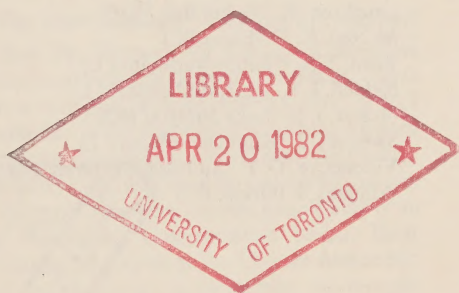


Ontario LEGISLATIVE ASSEMBLY

No. R-1

Legislature of Ontario Debates Official Report (Hansard)

Standing Committee on Resources Development
Annual Report, Workmen's Compensation Board, 1980



Second Session, Thirty-Second Parliament
Tuesday, March 30, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Chairman: Harris, M. D. (Nipissing PC)

Vice-Chairman: Andrewes, P. W. (Lincoln PC)

Fish, S. A. (St. George PC)

Kolyn, A. (Lakeshore PC)

Laughren, F. (Nickel Belt NDP)

McNeil, R. K. (Elgin PC)

Reed, J. A. (Halton-Burlington L)

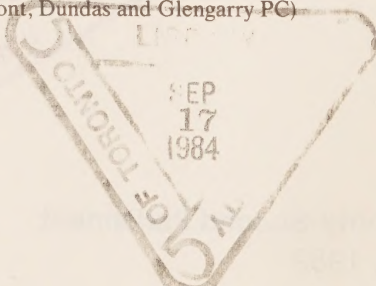
Riddell, J. K. (Huron-Middlesex L)

Stokes, J. E. (Lake Nipigon NDP)

Sweeney, J. (Kitchener-Wilmot L)

Villeneuve, O. F. (Stormont, Dundas and Glengarry PC)

Williams, J. (Oriole PC)



Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Tuesday, March 30, 1982

The committee met at 8:08 p.m. in committee room 2.

ELECTION OF CHAIRMEN

Clerk of the Committee: I will call the meeting to order. I see a quorum.

The first order of business is to elect a chairman for this session and I am open to nominations.

Mr. Williams: Mr. Clerk, I move that the member for Nipissing (Mr. Harris) be appointed chairman of the committee for this session.

Mr. McNeil: Appointed? Did you say "appointed"?

Mr. Williams: Elected as the chairman.

Clerk of the Committee: Are there any further nominations? If not, I declare the nominations closed.

Mr. Williams: Appointed by election, if you will.

Clerk of the Committee: Mr. Harris is duly elected. Since Mr. Harris is not here tonight I will proceed to call for nominations for vice-chairman.

Mr. McNeil: The member for Lincoln (Mr. Andrewes).

Interjections.

Mr. McNeil: I did not nominate or appoint, I just named.

Clerk of the Committee: Just named. Okay.

Interjections.

Clerk of the Committee: If there are no further nominations I declare Mr. Andrewes duly elected vice-president—vice-chairman. You have got me at it: "appointed."

Interjections.

Interjection: It is better sounding, anyway.

Clerk of the Committee: Yes. That is right.

Interjection: It is better paid.

Clerk of the Committee: Mr. Andrewes, would you care to sit in the chair for this session?

Interjections.

ANNUAL REPORT, WORKMEN'S COMPENSATION BOARD, 1980

The Vice-Chairman: Thank you for that vote of confidence.

The first item of business for this committee in this session is to consider the 1980 annual report of the Workmen's Compensation Board. I am under the impression that there has been some basic agreement among the House leaders that we would spend the balance of this week considering this report. Do I have that agreement?

Interjection: Agreed.

The Vice-Chairman: Perhaps we could enshrine that in a motion so we know where we are.

Mr. Williams moved, seconded by Mr. Kolyn, that the committee deal with the Workmen's Compensation Board Annual Report 1980 through today, Wednesday morning and Thursday evening.

Motion agreed to.

The Vice-Chairman: Mr. Alexander, you have some opening comments?

Hon. Mr. Alexander: Would you like to hear from the minister, sir?

The Vice-Chairman: Thank you. Mr. Minister?

Hon. Mr. Ramsay: Mr. Chairman, members of the committee, ladies and gentlemen, I have just a very few opening remarks. First of all I would like to say that I very much look forward to the three sessions which will continue through Thursday night as a learning experience for me.

We have some very capable people here from the Workmen's Compensation Board. Their chairman, of course, is Mr. Lincoln Alexander, and Mr. Alexander, in my opinion, has brought a new dimension and a new spirit to the board. I have found him and his people to be extremely co-operative in the short period of time that I have been in my present portfolio.

Mr. Alexander does have problems, though, about getting to the right place at the right time. I just want to relate to you a circumstance that happened at noon hour today. I attended a luncheon of the Transportation Safety Association and was delighted to see Mr. Alexander there at the head table. We were chatting and all of sudden he discovered that he was supposed to

have been at the Canadian Good Roads Association banquet in the next room.

Hon. Mr. Alexander: They all look alike to me.

Mr. Renwick: Are you in the right place tonight?

Ms. Fish: He is not sure.

Hon. Mr. Alexander: I will find out. Sorry, Mr. Minister.

Hon. Mr. Ramsay: Anyway, he is certainly in the right place this evening.

I would also like to introduce on his immediate left Mr. Alex Joma, who is the secretary of the Workmen's Compensation Board. Over against the wall with the beautiful tan is Mr. Alan MacDonald, the vice-chairman of administration and the general manager. Back in the corner is Bill Kerr, the senior executive director and assistant general manager; and way in the background is the Deputy Minister of Labour, Mr. Tim Armstrong.

Just perhaps one other note, if I could, for the benefit of the members who are here this evening. We have just taken on a person on our personal staff who will act as a liaison, I trust, between my ministry, my office, and the Workmen's Compensation Board. Her name is Marjorie Dumbrill. She will be joining my office in the middle of this month and she will be available to any of the members at any time with any problems they might feel they would like to bring to the attention of my office.

We would like to provide the continuing service to you that my predecessor had, I believe, in the person of Ms. Bunny Sam, and we will have Marjorie doing that same type of work. She will be available to you from the middle of the month on. If you would refer any questions or problems you may have before that time to Tom Trbovich, my executive assistant, or to me personally we would be happy to try to do what we can for you.

So with those few opening remarks I would like to pass things over to Mr. Alexander.

Hon. Mr. Alexander: Thank you very much, Mr. Minister, Mr. Chairman, ladies and gentlemen. Mr. Chairman, if I could perhaps just clear up something before I make a few opening remarks, before I get into the typewritten part. We were under the impression that the committee would be meeting next week. I do not know whether it is possible to determine at this time whether that is going to happen or not and if you have any advice in that connection we would

certainly appreciate it in the light of the fact I will have to tell the several officials to be available.

I had heard there were going to be another three sessions next week. Have we determined whether that is a fact or not? I do not know.

Hon. Mr. Ramsay: If I could speak to that point, I believe we had a motion here this evening that was accepted by everyone. It was made by Mr. John Williams to the effect that we would meet for the rest of this week: tonight, tomorrow morning through 12:30, is it?

Interjection: One.

Hon. Mr. Ramsay: Until 1 p.m. and then on Thursday evening from eight until 10:30, and that will conclude the participation of the WCB.

Hon. Mr. Alexander: Thank you very much, ladies and gentlemen, Mr. Minister.

Mr. Chairman, I would ask that I be able to bring three executive directors to the far table. I think this is the process we had last time and I would ask for the committee's approval to bring Mr. Arthur Darnbrough, who is the executive director of vocational rehabilitation, and as well Mr. John McDonald, who is the executive director of claims, and Dr. William McCracken, who is the executive director of the medical services division. If I have the approval of the committee I would ask that they take a seat at the foot of the long table here.

The Vice-Chairman: Agreed.

Hon. Mr. Alexander: Thank you very much.

Mr. Laughren: We insist.

Hon. Mr. Alexander: Mr. Laughren says, "We insist." We are always ready to oblige, Mr. Chairman.

Mr. Minister, I want to thank you for the kind words of introduction. Unquestionably it is a privilege for us to be here this evening to be accountable, if you can put it that way. I am always interested in these sessions because I find, like you, that they are learning sessions and I always go away unquestionably knowing a lot more than I did when I first entered. We wish you well on your new responsibilities. I am pleased to know so far you have received the kind of co-operation from the board you anticipated and you can rest assured that we will try our best to maintain that high level of co-operation.

8:20 p.m.

Interjections.

Mr. Wrye: I am sorry. Mr. Chairman, I think we are still looking for statements.

Hon. Mr. Alexander: Are we? I am very sorry. The statements are here, Mr. Chairman. I am not into the statement yet.

Mr. Wrye: They may be the same thing this year, but those are 1981.

Interjections.

Hon. Mr. Alexander: I am not into the statement yet. This is all off the top of my head.

Mr. Wrye: Keep going, then.

Interjection.

Hon. Mr. Alexander: I am just trying to be honest and available.

So, Mr. Minister, as I was saying, we will try our best to meet your expectations with regard to co-operation and service not only with your office but also with the people of Ontario. I do want to say, too, how pleased I am—and I know I speak on behalf of the members of the board—about the co-operation and the interest we have found from members from all parties who have taken time from busy schedules not only to visit the board and become personally involved but as well to visit our regional offices. Two have been implemented recently, London and Sudbury, and I will get into that later. I am very happy to know that their interest—

Good evening, Mr. Martel. I did not see you walk in, sir.

Mr. Martel: How are you, Linc?

Hon. Mr. Alexander: Fine.

Interjection: Mr. Alexander.

Mr. Martel: Mr. Alexander.

Hon. Mr. Alexander: No. Whatever he wants to call me, as long as it is decent I will accept it.

But I do appreciate that. I am being very serious. You have always shown a spirit of co-operation, which I appreciate, and I know my colleagues appreciate it as well. So rest assured that the type of service you want—I know you expect us to be perfect; I know that no one is perfect; I know that no institution is perfect, but I will not talk about this one because it would not be right. I feel you have set us on a path towards perfection and we certainly intend to try to reach that stage.

This is not only for our benefit. I think the people of Ontario, whether we are talking about the treating agencies or the injured worker, whether we are talking about the trade union movement or whether we are talking about the employer, I think they expect that state of perfection. So that is our role.

I have been advised that we are here to discuss the annual report of the Workmen's

Compensation Board for 1980. Mr. Chairman, you can recall that representatives of the board appeared before the standing committee on social development in June 1981 to discuss the annual report for 1979. At that time I tabled and delivered an opening statement which also highlighted a summary of our activities in 1980, inasmuch as 18 months had elapsed since the end of the 1979 year.

I hope that all members now have in front of them the speech I delivered, which was recorded in Hansard in June 1980 for their edification, and as well a copy of the annual report, which I believe will be necessary for their perusal in terms of the questions and answers that may come. That opening statement, of course, was recorded in Hansard but for ready reference and convenience I felt copies of it should be distributed to the members of this committee for the purpose of and prior to this meeting. As I said, I hope they have received it.

At this time I believe it is necessary to bring you up to date on our activities since 1980. Accordingly, notwithstanding that you have the annual report for 1980, it is my intention, with your expected approval, to report on the work of the board during 1981.

In 1981, awards to injured workers and on their behalf in the form of compensation and pension benefits, medical aid payments to doctors and other treating agencies, and vocational rehabilitation totalled about \$622 million. About 415,000 claims were reported to the board, a decrease of almost 30,000, or about 6.5 per cent fewer than in 1980. About 40 per cent of the total, or approximately 166,000, were claims for compensation benefits in respect of time lost from work. The remaining 60 per cent, or about 249,000, were for medical aid only where lost time was not a factor. The reduction in the number of claims was accompanied by a comparable decrease in the number of appeals brought before the board in 1981.

During 1981 2,608 appeals were heard at the appeals adjudicator level, compared with 2,791 in 1980. At the final level, being the appeal board, 964 appeals were heard in 1981 compared with 1,064 the year before. In this regard, a change in procedure regarding appeal hearings, which in effect allowed parties to review a summary of information prepared from documents in the files before requesting a hearing date, may have had some effect on those who had to decide on the basis of all available information whether or not an appeal was warranted.

In fact, because of this opportunity to review, we believe some were able to conclude an appeal was not warranted, which led to a decline in the number of appeals. This is noted, I may say, even though the board on request prepared 42 more summaries than in 1980.

The board's appeal system, as you know, has two levels. At the first level an appeals adjudicator reviews the issue under appeal and may either decide on it, based on the information on file, or call a hearing before an appeals adjudicator or, in terms of the second level, refer the appeal to an appeal board panel of three commissioners for disposition.

In any event, a concerned party can request that an appeal be heard by an adjudicator rather than be referred to an appeal board. An adverse decision reached by an appeals adjudicator may also be appealed to an appeal board. In 1981 more than 52 per cent of the 2,608 appeals heard at the adjudicator level were allowed or partially allowed. At the level of the appeal board just under 37 per cent of the 964 appeals were allowed.

Turning to another subject, some of you may recall that at our appearance before the standing committee on social development last year I made the commitment that full access to claim files would be provided before the end of the year. I am pleased to say that on December 28, 1981, our new policy of access went into effect, replacing our former practice of preparing and distributing summaries of information from documents contained in the files.

As you know, prior to December 28 injured workers did not have access to their claim files. Access was limited to the arm's-length representative of the worker who could review the file but could not receive copies of any documents contained in it. In accordance with our new access policy, injured workers or their authorized representatives are provided with photocopies of their claim files on request in cases where a disputable issue exists.

By "disputable issue" I mean an adverse decision made by a review group within one of the operating divisions of the board which has been communicated in writing to all parties concerned. If they wish to validate the accuracy and completeness of the photocopies, they may of course make an appointment to view the original records in person at any Workmen's Compensation Board office in Ontario.

The only information that is not made available to a worker or duly authorized representative is medical information contained in a report

which in the board's opinion would be harmful to the worker if disclosed. Such information though would be sent to the worker's treating physician, to be released at the discretion of that physician, and the worker or representative would be so advised.

8:30 p.m.

For your information, to date in only one case out of over 1,453 requests have we found it necessary, on the advice of the special access committee, to invoke this safeguard and send material in the claim file to the worker's attending physician.

On the other hand, the worker's employer or the employer's authorized representative, where a disputable issue exists, is provided on request with a photocopy of those records which the board deems to be relevant, and I underline relevant, to the issue in dispute and may subsequently view those records by appointment. Based on our current experience, we anticipate approximately 6,000 requests for photocopies of claim files in 1982.

I should like to bring to you another positive initiative undertaken by the board in 1981, which came as a result of the completion of the foundry emission research project. The results of this project suggested that the guidelines the board had developed in 1979 for adjudicating primary lung cancer claims in Dofasco workers could be extended to cover situations in other foundry operations where workers develop primary lung cancer. This extension was adopted by the board last September to cover situations where it can be reasonably deduced that a heavy cumulative exposure to polyaromatic hydrocarbons is likely to have occurred.

Prior to the extension of coverage to other foundries, the board had accepted 25 claims for primary lung cancer in Dofasco workers. Since last September we have accepted three more claims, based on the extended guidelines. We have also accepted six claims relating to primary lung cancer from workers in foundries other than Dofasco.

On another matter of interest, I wish to advise that 1981 was the first full year of operation for our regional offices in Sudbury and London. During that year more than 49,000 claims were reported to the two offices, with the volume for London being slightly greater than that for Sudbury. The Sudbury office, which opened November 3, 1980—and I must say that several of my friends sitting around this table were there—serves the district of Algoma, Sudbury and Manitoulin as well as the the regional

municipality of Sudbury. The London office opened on December 1, 1980, and serves the counties of Oxford, Middlesex, Huron and Elgin.

Our regional operations are currently the subject of an evaluation, the results of which will also assist the board in determining whether and, if so, to what extent and when the concept of regionalization should be expanded.

Turning to a recent development in our vocational rehabilitation division, last June the job opportunity bank, or JOB computer system application, came on line and by November had been phased into operation to serve all of Ontario. This program is designed to match a rehabilitated worker's abilities and interests with suitable job opportunities recorded in a computer bank. Our vocational rehabilitation counsellors work with their clients to consider possible job opportunities and to arrange satisfactory placements in employment. To date, this program has proven to be an extremely positive addition to the board's vocational rehabilitation service.

We all remember that 1981 was the International Year of Disabled Persons, as proclaimed by the United Nations. At the board we assessed our responsibilities to our own disabled employees as well as to disabled visitors. A number of changes were made at our head office to improve accessibility, including the installation of a call button and security camera on the access ramp at one corner of the building, along with a shelter at the base of the ramp and the mounting of access route maps at parking level elevators.

We are currently discussing with our building management the possibility of replacing the concrete access ramp with a lift access device similar to the one here in the legislative building and we are having automatic door opening devices installed on the doors leading to the subway station in the concourse.

A survey we conducted last year as a special initiative for the International Year of Disabled Persons found that the board employed some 578 people who identified themselves as handicapped or disabled. During 1981 the board hired 17 disabled employees, seven of whom came via our rehabilitation program and 10 from the community at large. As another special initiative for the international year, our human resources division established a new filing system to give the board direct access to job applications from disabled workers.

In addition, new procedures have been devel-

oped for conducting an analysis of various jobs based on their physical demands. These procedures will, of course, enable us to compile an inventory of jobs at the board which fit the special requirements of disabled workers. At the same time it gives us an opportunity to assess the barriers which must be overcome to place disabled workers in those jobs.

Our equal opportunity policy statement, formulated in 1980, will be amended to include the revised provisions of the Ontario Human Rights Code which prohibit discrimination on the basis of ethnic origin, family status and record of offences. Copies of the amended policy statement will be posted throughout the board's premises.

In 1981 I am pleased to say the board continued to increase the number of women employed in management in senior administrative positions. At the present time, more than 38 per cent of the positions in this category are filled by women, compared with 36 per cent in 1980 and 33.2 per cent in 1979.

Turning briefly to the subject of our relationship with the Ombudsman's office: in 1981 there was, again, a decrease in the number of complaints against the board which the Ombudsman decided to investigate, together with an increase in the number of cases where the Ombudsman found the complaint unsupported. Only two cases relative to the board were brought before the select committee on the Ombudsman in 1981, compared to twice that number in 1980.

I trust this overview of some of the board's activities during the past year will be of assistance to you. In closing, I would like to say that my colleagues and I are now available for any questions you have regarding any aspect of the board's activities. I am pleased that we have a number of people here whom I must thank for taking time from their busy schedules in order to be here this evening to assist us with the questions I know will come from the several and respected members.

Thank you very much, Mr. Chairman, lady and gentlemen.

The Vice-Chairman: Thank you very much, Mr. Alexander. Mr. Wrye, do you have some opening remarks?

Mr. Wrye: Yes, Mr. Chairman. To begin I want to say how pleased I am to join in the hearings. Like the minister I find myself in a new position and trust that these three days, two evenings and tomorrow, will prove to be a learning experience for myself as well as for him.

I think all members of the three parties would agree, as members of the Legislature, that the problems of injured workers are paramount to all of us. Proper compensation for and protection of those injured workers is a right for which we have been fighting for years and is a right which is still some distance away. I say this, Mr. Chairman, not so much to Mr. Alexander but also through you to the minister: the time has come for improvements and it is important that we recognize the shortcomings in the system.

I hope that the objective of all of us is to improve on the system. There are times for political argument and we will have some in the next three days in these hearings, perhaps, but I accept the fact without question that each and every one of us in this place cares about the injured workers—at least, I hope so, because if not, we should not be here.

8:40 p.m.

I want to comment on the board chairman's brief. I am very pleased that the figures and information you have given us have been based on the 1981 workings of the board rather than those of 1980. I think it gives us a chance to catch up on where we are at this point. You and I spoke of this briefly in Windsor, Mr. Chairman, when we talked about how we could get up to this point. I was rather concerned, when we had the hearings last year, that we were looking at a period of time some 18 months before.

In your opening statement you did not offer any explanation, and I hope it will be forthcoming as we proceed in these hearings, as to why the number of claims would have decreased. It strikes me at first glance as being a rather substantial decrease in claims, almost 30,000, or six and a half per cent, in 1981. I simply would like to hear, and it has not been offered in your opening comments, why we have such a dramatic decrease in claims. Frankly, it rather bothers me. I only have the 1980 annual statement and I believe these figures were for 1981. I find a similar concern about the decline in both the number of appearances for appeal adjudication and final appeal, but you have given me a commitment that we will be able to talk about that a little bit as we progress.

Hon. Mr. Alexander: That is right.

Mr. Wrye: I also wanted to note your discussion of the two new regional offices, Sudbury and London, and the number of claims that were filed there. On page 12 of your opening remarks you mention that you are currently evaluating the operations of those

offices. We can talk about that as we go on. I hope the evaluation will be a fairly quick one and that, first of all, it will result in an improvement of any weaknesses in those offices; and, further, that we can move on to greater regionalization and decentralization in such communities as Windsor, which I represent, and other communities such as Hamilton and the like, which have a number of workers who are very susceptible to problems requiring the board's attention.

I thank the chairman of the board for his recent trip to Windsor and for the efforts he made on behalf of injured workers and the efforts the board made during that time to find positions of employment for rehabilitated workers and I hope we can talk a little bit about the program. During his remarks that evening the chairman commented on the state of the depressed economy and said it should not be a deterrent to placement of workers in new positions. I am very glad to see he is apparently taking a fairly aggressive approach to that, no matter what the state of the economy.

The board chairman also commented in his opening statement on the jobs program. I would hope that workers who are placed in new positions would not be placed only in those areas where they have had former responsibilities, that they not just be put in the narrow niches of their former employment, but instead be given a chance to expand their horizons, to find new employment perhaps in entirely new fields.

One problem that concerns me, and I have had three or four examples of it in my office during my first year as a member, has been the apparent reluctance of the board to move as aggressively as it might in cases involving those workers who are a little further up in age.

I want to impress upon you, Mr. Chairman, and upon the board my own view and the view of my party that the situation faced by a 58-year-old rehabilitated worker who is now prepared to move back into the work place is just as important as that faced by a 38-year-old worker. It may be a little more difficult; it may take a little more time. If that is what it takes, the time should be taken, the effort should be made. Those people have dependants who are depending upon them to feed and house them, no more or no less than the younger worker. They have important contributions to make. I find at times that the contributions they are prepared to make are not properly recognized.

I realize it is a problem that is not limited to

the Workmen's Compensation Board. I would say the same to people at Canada Manpower and the like. There seems to be a bit of a lack of willingness to look on the older worker, who is a little nearer to retirement, as being quite as important as the younger worker.

Mr. Di Santo: That is general for everyone.

Mr. Wrye: I do not think younger workers would object to that attitude at all.

I want to talk briefly about a number of problems in no particular order of importance, because there is no order for the injured workers, and the problem they face as they attempt to get rehabilitated, as they attempt to get proper compensation for their injuries. Let me say, first, Mr. Chairman, Mr. Alexander, and more important perhaps, to the minister, that I believe it is extremely important that we proceed with changes to the Workmen's Compensation Act at the first possible opportunity.

Speaking with the former critic for my party, I have been told that you, Mr. Alexander, as chairman of the board have raised concerns over how workable the present structure is and you made some comments on that in your opening remarks. Perhaps we can talk about that. I do hope you could offer some of your own thoughts as to where some of the problems lie as we go on.

Mr. Minister, if I may address you for a minute, I do not want to inhibit the ongoing consultative process to the Weiler report and to the white paper which has emerged from that report. I am concerned about your statement in the Legislature last week in answer to a question from my friend the member for Downsview (Mr. Di Santo) that you hoped legislation will be introduced before the end of the year to amend the act.

In my opinion the legislation should come before the end of the spring session so we may all take a look at it as quickly as possible. By all, I mean members of all three parties, various workers' groups and employer groups. I would hope that a select committee would be struck to examine in detail the proposed changes. I fear if we wait until the end of the year we will get legislation on the last possible day. There it will sit and we will go well into 1983 before we move ahead on this matter. I hope we can spend the summer examining the legislation, moving on to a final solution to the very real problems we face.

Let me deal very briefly with a few of the

specific areas. I say very briefly, because I was afraid my friend, Mr. Laughren—where are you from, Floyd?—

Interjection: From northern Ontario.

Mr. Laughren: Nickel Belt.

Mr. Wrye: —from somewhere up north, might be making the opening comments for his party. I know last year he went on at some length. I understand my friend the member for Bellwoods (Mr. McClellan) is going to make the opening remarks this year. I want to give the member for Bellwoods some time to make the opening remarks on behalf of his party.

I would beg the committee's indulgence for those areas which may trip over the white paper proposals a little bit. In some cases I am quite familiar with them and simply want to add my voice. In other cases I will quite honestly admit that the complexities of the board and its workings are something with which I am still coming to grips. I believe the minister will appreciate those comments.

I want to thank my constituency assistant for some of the suggestions. I want to suggest to you, Mr. Chairman, that the constituency assistants themselves are the people who are on the line day in and day out in my riding and all of the ridings dealing with the injured workers and the complexities of the problems they bring to our offices.

8:50 p.m.

Let me first offer the chairman one example which bothers me about the board. I do not offer it from an egotistical point of view but it indicates in a sense a lack of sensitivity which perhaps pervades the board and it bothers me. For at least 10 months after my election the files of injured workers in my riding were forwarded not to me but to the former member for my riding—at least, they tried to forward them to him—this despite the fact the board was informed on numerous occasions by both my office and by the injured workers themselves that I was acting on their behalf.

I offer this as an example because of my concern that if the board here in Toronto cannot get such a simple situation straightened out in something less than 10 months, how can it deal decisively with the complex problems faced by injured workers throughout the province and deal with their problems as quickly as needs to be done?

Hon. Mr. Alexander: Excuse me, sir, I dislike interrupting, but I thought I heard you say files were forwarded to—

Mr. Wrye: Information, I am sorry.

Hon. Mr. Alexander: I just wanted to know how we were sending files out and I was getting a little nervous.

Mr. McClellan: They are too heavy to mail.

Mr. Wrye: Let me deal with a few issues very briefly. The issue of commutation of pensions is one I want to raise right from the beginning, because I believe there is no single example of an attitude that bothers me more than the issue of commutation of pensions. It strikes me as being an attitude on the part of the board of "we know best," that the injured worker who may wish to have his pension paid in a lump sum rather than on a monthly basis somehow does not know as much as the board.

I know there may be difficulties here but I have had a number of workers who have approached me and who wish to have their pension paid in a lump sum. In today's environment, in my community and in a number of others, one can understand that. The main point, the main principle here, is whether the workers themselves should have and ought to have control over their own lives; whether they in effect are the ones who know best; whether they are the ones who can make the decision as to whether they want to blow all of that money in one evening or simply get out from under in a very difficult situation. I am concerned about the resistance to commutation of pensions.

I want to talk a little on the decentralizing aspect of the board's operations, that somehow it would be best for the worker if some decentralization could begin, not only of those aspects of it under way but particularly the medical rehabilitation of workers. I do know that a start has been made, but I think it important that it be continued. Clearly, it can only go to a certain length. There is expensive equipment here in Toronto, out at Downsview, but perhaps the decentralizing of medical and vocational rehabilitation of workers should continue and should be expanded. I hope the expansion of regional offices can be considered.

I want to suggest to you some concerns which my assistant has raised regarding the operations of the board and the conflict that occurs all too often between the medical doctors in the community and the medical adjudicators here at the board. They are multi-faceted.

First of all, there is a concern that has been raised, and I think it is a concern which ultimately injured workers find that where their doctors and perhaps even their specialists agree that workers have suffered certain injuries and the medical adjudicators here in Toronto dis-

agree, there seems to be a tendency on the board's part to accept the opinion here in Toronto.

In addition to that, there appears to be a regular undertaking, at least in my office, of sending workers and asking for additional information, not only from their family doctors but from specialists. I might tell you, Mr. Chairman, and also the minister, that I am meeting some very real resistance—I do not know about other members in their communities—from the medical profession who simply are reluctant to get involved with Workmen's Compensation Board cases. I think that is unfortunate and tragic.

It is not only a matter of whether they are prepared to work with me, with legal aid or with others in respect of the worker's concern. It is also a matter of whether they are willing to see the worker on the number of occasions required, and to offer that worker the kind of help and the kind of detailed opinion that he or she needs. It is a very real concern, but I reiterate I am increasingly finding reluctance on the part of the medical profession to co-operate to the extent that it is necessary for injured workers.

I am also concerned about the length of time involved in appeals, some of which I have dealt with specifically. My office checked this for me today and it appears that some of the appeal time is excessive. I hope you will appreciate that these matters should be clarified as quickly as possible. The workers involved very often wish to have their cases cleared up; they wish to know where they stand. It does nothing for them, psychologically or in any other way, to have the case on their minds for months on end.

On the matter of workers' advocates, we also did some checking today. The information I have is that there are a total of three, who are now being shifted to another area within your ministry, Mr. Minister, is that not correct? I may be wrong here and the chairman can correct me if I am. My concern is that, again, they are placed here in Toronto. I find, on a number of occasions, that the injured workers in other centres in Ontario would like to have a lot more one-on-one discussion with those who can offer them advice.

I have a real concern—I state this as one member and leave it to other members whether they themselves agree or disagree—that very often injured workers are coming to the offices of members simply because they have nowhere to turn, other than perhaps to legal aid, which is already overworked and undermanned. The

cases of injured workers, particularly the ones who are going to appeal, are sometimes the most complex cases that the board faces. It is a concern of mine, and a number of my colleagues have spoken with me about it, that the whole system of protection of injured workers needs to be improved, especially where there are to be appeals.

Very often, what one is faced with in appeals by way of the information packages that you are presenting to us, Mr. Chairman of the board, is an array of medical jargon. I suggest to you, with respect, that there are only two or three members of this Legislature, one of whom is the predecessor of the present Minister of Labour, who are medical doctors. I will tell you, frankly and quite honestly, that I find myself on the phone very often to a couple of doctors who are friends of mine in the community, to try to get some explanation of what the latest array of information really means. That I find myself doing that and that others find themselves doing that will obviously militate against the rights of and the ability of the injured worker to get the best possible representation.

9 p.m.

In conclusion, I appreciate, Mr. Chairman, that we are going to have some three days to discuss these matters. Having that opportunity, I also appreciate that we are going to be discussing once again more-up-to-date information in terms of the board, and that we have finally somewhat caught up. So, with those opening remarks, thank you very much.

Mr. McClellan: Mr. Chairman, this is the first time I have had the opportunity to do the leadoff for the New Democratic Party in the WCB estimates and I look forward to that as something of an honour. I should offer my best wishes to you, Mr. Minister, on your new appointment and a certain condolence to you that you have the responsibility now for the Workmen's Compensation Board.

You will find I think, as we have found, that it will drive you nuts, which is a nice way of putting it, and I am not being facetious. Those of us from industrial ridings, eat, sleep, live and breathe workmen's compensation cases. I have an average caseload, and it is typical, of 150 compensation cases open in my riding at any given point in time. I have two staff people who do nothing else but compensation cases. My colleagues in Metropolitan Toronto, Sudbury, Sault Ste. Marie and all parts of the province who represent industrial ridings have the same experience.

Now you have the responsibility. We can only extend to you our sincere best wishes and the profound hope that you will have more success than your predecessors have had in bringing about major structural reforms to Ontario's workmen's compensation programs so the kinds of burdens which show up in constituency offices of MPPs become a thing of the past. For the time being and for the foreseeable future they are very much with us and now they will be very much with you.

A number of the comments I want to make are addressed to you, Mr. Minister, and some of the comments will be addressed to you, Mr. Alexander, as chairman of the board. I should probably start by addressing some comments to the Minister of Labour. The first, and I really have to say the most urgent, remark I want to make has to do with the need to bring in a legislative amendment, as my colleague the member for Downsview called for a few days ago, to raise the compensation rate.

The Weiler report told us that in the five years from 1975 to 1979 inflation increased 45 per cent and adjustments in workmen's compensation benefits increased 37 per cent. With the last round of increases in July, once again we are below the rate of inflation as measured by the consumer price index. I do not know how any government can justify fighting a war against inflation on the backs of injured workers. I do not know how any government can justify bringing in cost-of-living increases that are below the rate of inflation and to do it year after year from 1975 to 1981. I do not know how any government with any sense of decency and humanity could do that.

I simply plead with you in 1982 before this session is over to bring in legislative amendments that will fully restore and perhaps, if you can find it in your hearts, even increase, bring ahead, the purchasing power of the workmen's compensation pension benefits so that injured workers are not behind inflation but just for once ahead of the game. I do not think that is asking too much in a society as rich as Ontario.

So, again, the first challenge you have as the minister responsible for workmen's compensation is to persuade your colleagues to correct the injustice done to injured workers over the course of the last seven years and bring in amendments that restore the full purchasing power of these WCB pension benefit dollars and perhaps even put us ahead of the game.

I want to spend a few minutes talking about the major WCB issue that is in front of all of us in

all three parties; namely, the recommendations put forward in the white paper on the Workmen's Compensation Act, based on Mr. Weiler's recommendation. Our views are accurately reflected in the brief which was submitted to the Minister of Labour by the United Auto Workers' Canadian UAW council. That presentation was submitted to you last September and if you look carefully at the list of the people who prepared this submission you will find, as well as the names of the members of the UAW Canadian council, the name of myself and another of my colleagues who worked with the United Auto Workers in the preparation of that submission.

I hope you have had an opportunity to read it. If you have not, I hope you will. I hope, as well, you will have not just a look at but also make a close study of the other briefs which have been submitted by workers' organizations, whether trade unions or organizations representing injured workers in an advocacy capacity.

I am referring particularly to the green paper entitled, *A Response of the Injured Workers to the White Paper on Workers' Compensation*. I hope you will personally take some time to study that document and not simply to rely on briefings from members of your own staff or from officials from the Workmen's Compensation Board. I hope you will study these documents yourself and become familiar with the concerns that are expressed there.

I want to take a few minutes in these estimates to set out the major concerns that have been expressed about the Weiler recommendations and about the proposals that were put forward in the white paper. Many of us who have spent a lot of time—and I personally have spent seven years as a member of the Legislature and four years before that in other capacities—worrying in one way or another about workmen's compensation. Those of us who have spent a lot of time being concerned about the WCB program in Ontario have a lot of major reservations about the Weiler report. I want to take a few minutes during these meetings to set those out for you in a personal exchange and I hope we can have some discussion about these concerns during the course of the estimates.

The first of them has to do with the central recommendation that Mr. Weiler makes about abolishing the present award system based on clinical ratings and replacing it with what he refers to as a dual award system. That would be made up of a lump sum payment based on a clinical rating for those who have a permanent

disability but no loss of earning capacity and, secondly, a wage loss pension awarded to injured workers who have a permanent disability plus a measurable impairment of earning capacity, a real loss of earning power.

9:10 p.m.

We have a problem with the concept right off the bat. We have a problem with the initial position that someone who suffers a permanent disability by virtue of a work accident is not, according to Weiler or the white paper, entitled to a permanent disability pension. As a matter of fact what Mr. Weiler is proposing is they be given a lump sum payment which would be less, in real terms, than the commuted value of the present permanent disability awards, based on the—

Interruption.

The Vice-Chairman: Order. Would you like to continue?

Mr. McClellan: Yes, I would.

If a person suffers an accident on the job that results in a permanent disability—that is to say a disability that lasts for the rest of his life, with all of the attendant pain, suffering and discomfort, and all of the effects, psychological and social, as well as economic—we do not feel it makes any sense to give them, first, a lump sum payment, and, secondly, a lump sum payment that is substantially less than the commuted value of a disability award under the current rating schedule. We do not see the justice of that. Do not forget the compensation system is a tradeoff. The worker gives up his right to litigation in exchange for the compensation benefit. That is the historic tradeoff.

Critics of compensation, myself included, will argue that it is a cheap form of insurance for employers and our experience bears that out. The kind of thing Mr. Weiler is proposing simply reinforces that characteristic of workers' compensation and we fail to see the justice of saying that we will save a certain amount of money on workers' compensation—and some people have estimated it is as much as \$250 million a year—by giving a cheaper lump sum award to injured workers who suffer, again,—and I must stress this—a permanent disability measurable according to a clinical rating schedule, a smaller award than they would get at present on a lump sum basis, and the lump sum would be less than the present commuted value of their life pensions. It does not make sense to us and it does not make sense to the representatives of

working people in the trade union movement or in the advocacy organizations who have looked at the question.

The second component of Mr. Weiler's dual award system, the wage loss provision, is obviously something we do not object to. We welcome a move towards compensation on the basis of impaired earning capacity as long as it is not exclusive, as long as it does not nullify the kind of concerns I expressed with respect to the first part. What we are saying is that we want an expansion of the concept, which is currently based exclusively on a clinical rating, to include clinical rating plus impairment of earning capacity.

The third feature of Mr. Weiler's dual award system, the provision that permits the board to exercise its authority to decide whether or not a worker should be charged a deemed income, is something which causes us an enormous amount of concern simply because there is nothing in the Weiler report or in the white paper that guarantees the right of the injured worker to rehabilitation services and to a job as a matter of legal entitlement.

If there was a provision in the statute or in some other statute that every injured worker had a legal right to rehabilitation services and to a guarantee of a spot in the work force then I think the deemed-income approach would not be as much of a concern as it is. I have to tell you it would still be a concern because there is very little in the history of the administration of the Workmen's Compensation Board that makes us want to give the board the power arbitrarily to decide that you, with your damaged back and your other disabilities, ought to have a job out there and "we have the power to decide whether or not we will dock you what we figure you ought to be earning." That is a very arbitrary power and we would want to see the legislation that brings this arbitrary power into effect and look at it very carefully and find out what kinds of safeguards and hedges are built into that legislation.

I simply express the concern about giving any bureaucracy the power to make a unilateral decision that you or you or myself can be deducted an arbitrary amount based on the decision of some bureaucrat somewhere as to what the bureaucrat thinks you ought to be doing with your life. I simply want to set it into a context of concern.

The United Auto Workers' brief expresses a part of the point, at any rate, fairly succinctly: "We believe that an injured worker who is

permanently disabled has a right to a lifelong pension in recognition of the effect of the injury on his or her ability to work. After all an injury not only affects the narrow question of continuing the immediate job, it also affects the possibility for promotion, the availability of other work and re-employment in the event of a layoff."

To summarize the concern about this, I think that paragraph summarizes quite nicely our concern about the dual award system with the exclusivity around the lump sum payment and the ambiguity around the deemed-income approach. So, in a nutshell, we would not support legislation based on the dual award system as set out in the white paper. This is not to say we are opposed to the concept of extending workmen's compensation to encompass impairment of earning capacity. Obviously we have been arguing that point for the last 10 or 15 years.

It is not a question of either/or. It is not a question of either a clinical rating and nothing else or an impairment of earning capacity and nothing else. I think it is question of a balanced approach and sufficient flexibility in the administration of the workmen's compensation legislation that the board, hopefully in its compassion and humanity, at least within an ideal program, would be able to assess the unique position of the unique individual and decide to make an award on the basis of a combination of factors: the economic factors, the clinical factors, the social and cultural factors—all of the myriad complex factors that go to make up the unique human being in his or her unique individual situation.

We are unable to support these kinds of black and white measures that substitute one set of boxes for another set of boxes. We think it is possible to come up with something that is more creative and more capable of reflecting the needs of individual men and women in our community who happen to suffer the tragedy of an industrial accident and a permanent disability.

The second concern I want to raise is the incredible proposition in the white paper and in the Weiler report that those who are presently in receipt of a WCB pension will have the crazy choice of staying on the present Workmen's Compensation Act or moving to the new act, and if they stay on the present act, they will never again, as long as they live, have a cost-of-living increase. It is too ludicrous a

proposition even to have to discuss. Nevertheless, there it is in the Weiler report and in the white paper.

9:20 p.m.

If you think your government wants to proceed with that kind of a policy against the 70,000 injured workers who are currently in receipt of benefits—I believe that is the right figure—

Hon. Mr. Alexander: You are pretty close.

Mr. J. F. McDonald: It is approximately 76,000.

Mr. McClellan: Thank you. If you intend to play that kind of a trick on the 76,000 injured workers in the province, I think you can expect the proper consequences.

Aside from the question of whether or not those who choose to remain on the current Workmen's Compensation Act should or should not get a cost-of-living increase, somebody from the board is going to have explain to me how you process all 76,000 cases to make a determination as to whether or not there is an impairment of earning capacity. That confronts those of us who have 10 or 15 file drawers full of closed compensation cases with the ultimate nightmare of having to reopen every one of those cases and work with those constituents to come to a determination as to whether or not they are better off on the old act or the new act. That is a fairly appalling prospect.

The third point I want to raise is the equally preposterous suggestion that Canada pension plan benefits should be deducted from the new model Weiler version of workmen's compensation. Let me share something with you, Mr. Chairman. When Mr. Weiler was approaching the end of his study, he met with some of us in the NDP caucus. To be fair, we had already made our submission to him in a formal sense, and he was meeting with us one more time before he concluded his work.

We raised with him the question of the relationship between the Canada pension plan and workmen's compensation. To our surprise, it was not a question that had occurred to Mr. Weiler. I had the distinct impression that his report had already at least been drafted, if not completed, at that stage of the game, and he had not realized that there is a fundamental difference in definition of total disability between the two programs, and he had not bothered to count or to try to determine how many of the 76,000 injured workers on workmen's compensation were simultaneously in receipt of full Canada pension plan disability benefits.

I do not know whether anybody in the board has that information available. I suspect not. I suspect it simply is not known, as nobody has ever bothered to figure it out, how many of the 76,000 pensioners on WCB are on a partial WCB pension and on full Canada pension benefits. In other words, they are totally disabled according to the federal government and partially disabled according to the provincial government.

Mr. Renwick: It was a serious mistake on our part to have ever raised it. We should never have raised it with Weiler.

Mr. McClellan: At any rate, Mr. Weiler then proceeded, as though this problem did not exist and as if this was not something that confronted injured workers in the thousands in this province, to make his preposterous suggestion that insurance benefits under the Canada pension plan, for which workers have made contributions from their wages on a weekly basis, should be somehow deducted from workmen's compensation, also an insurance program, as though they were both welfare programs. They are not welfare programs; they are insurance programs. No government has the right to treat them as though they were welfare programs. It is as simple as that.

If you do not understand the difference between a welfare program and an insurance program, it really discredits your work and your credibility. It discredits Mr. Weiler's credibility in a very profound way that he did not understand that difference in distinction and that he thought it was legitimate to expropriate Canada pension benefits from an injured worker in receipt of workmen's compensation benefits.

My next point is—and it is difficult for us to comprehend how anyone could recommend it—that Mr. Weiler recommended that workmen's compensation wage loss benefits for a worker with a permanent disability and a measurable loss of earning capacity terminate at age 65. What is supposed to happen to them at age 65?

Mr. Martel: They are no longer disabled.

Mr. McClellan: The answer is that they go on welfare. We are talking about people who have suffered the loss of earning capacity, who are deprived because of their disability of the capacity to provide for their retirement and are unable to accumulate either private or public pension benefits sufficient to provide for their own retirement. Presumably, one would think that one of the things workmen's compensation

is supposed to do is to bridge that economic gap. "Oh, no," according to Weiler, "we will expropriate that from them as well and substitute something else." That something else will be some kind of a welfare program for injured workers once they reach the age of 65.

These proposals are absolutely unacceptable to us, Mr. Minister. We urge you to study carefully the thoughtful concerns that have been presented to you—probably not in as cross a manner as I am doing—by representatives of workers' organizations and to make the necessary adjustments in your draft legislation before it comes before the House. You will be doing yourself and the working people of this province an enormous service by doing that.

I will move quickly through the other concerns. The independent medical review panel, we fear, will continue in another guise and in another incarnation. The power of the Workmen's Compensation Board doctors vis-à-vis the injured worker's own doctor is something that occurs year after year. When the injured worker's family doctor and his attending specialist submit their reports to the Workmen's Compensation Board and say, "Mr. So-and-So is suffering from this kind of disability caused by this accident at the job," we do not understand why the workmen's compensation doctors somehow have the capacity not only to ignore that kind of evidence, but to give the kind of ridiculous cursory examinations that take place at 2 Bloor Street and to come up with diametrically opposed opinions and to impose them on the worker and to set the pension on the basis of those opinions, rather than the opinions of the worker's own doctors.

The point I am making tonight has been made 27,000 times by my colleagues. Workmen's compensation decisions should be based on the opinions of the injured worker's own doctors, including the family doctor. After all, he is the one responsible for the day-to-day medical programs.

Mr. Martel: Sometimes they do not even see him.

Mr. McClellan: Sometimes they just read the file and make their decisions.

9:30 p.m.

The next concern I would raise is that Mr. Weiler copped a plea on the question of automatic indexation. He says there should be regular review and government initiative on some kind of a regular basis, but he was unwilling, for whatever reason, to say the

legislation should enshrine an automatic cost-of-living increase for injured workers. Again, how can you fight inflation on the backs of disabled people, which is what that kind of a suggestion amounts to? If you are serious about designing a program based on principles of humanity, compassion and justice for injured workers, you have to build into the legislation automatic cost-of-living indexes, as we have done in some of our federal retirement programs—Canada pension and old age security. Why not the same for injured workers?

Mr. Martel: The Ontario government fought for indexing in CPP. Why would you oppose it here in your own bailiwick?

Mr. McClellan: Right on. By way of summary of our representations to you on the white paper, let me try to set out just a couple of principles we think should be the basis of a revision of the workmen's compensation legislation.

First, compensation should be based on 100 per cent of compensation for loss of income due to injury on the job, not 75 per cent and not 90 per cent. Secondly, the legislation should enshrine the principle that every worker with a permanent disability should have the right to a permanent pension award. We do not want that permanent pension award to be based, as at present, on the meat chart, the clinical rating, the permanent disability rating schedule and on nothing else. We feel that it is possible to devise a new formula that would bring about permanent pension awards on the basis of a number of criteria.

We can see that a certain amount of flexibility and discretion would have to be built into the system. You would not just open a book and take the hand, as we have here, and say for the index and middle distal or the index and middle finger it is 5.4 per cent—that is what it says here. The index and ring distal is 4.8 per cent. This is the meat chart. You get so much for the tip of your finger, so much for the next segment, so much for the next segment, so much for the hand, so much for the elbow and so much for the arm, as though you were a piece of meat in a butcher's store. It is obscene that a workmen's compensation program is based on that kind of a system. We are not arguing for a retention of that system. We are saying that the new formula should be based on clinical factors, plus social, economic, occupational and cultural factors.

The question of whether or not the worker is old or young, whether the worker is fluent in English or not, whether the worker is skilled or

unskilled, whether the worker has the capacity to be retrained or not, all of these and other criteria should be built into the formula for the awarding of a permanent pension award under a humane workmen's compensation system. We do not believe that it is beyond the capacity of this government or any other government to devise that formula. We remain optimistic that it is possible to come up with a formula based on a number of criteria that take into account and recognize the complexity of the individual human being. Do not treat the human being as though he was a piece of machinery and you can cut off this segment and that segment and pretend that is all there is to it.

Thirdly, we feel that each and every injured worker should have the legal right to rehabilitation services, and I stress the legal right—entitlement under statute as a matter of legal right, not on the matter of somebody's arbitrary decision that you are a good guy and you are a bad guy and you should get it, or you have a nice face and you do not have such a nice face.

The right to the opportunity to rehabilitation services is a matter of legal right. It should be right in the statute and there should be nothing discretionary about it. Everybody should have the opportunity. If somebody messes up the opportunity, that is his problem, but everybody should have the opportunity and there should not be one class of service for this person and another class of service for that person, depending on whether he lives here or whether he lives there or whether he knows this MPP or whether he does not know that MPP. That is really how it works now.

Fourthly, and I have already mentioned it, there should be enshrinement in the legislation that there be automatic indexation to protect injured workers against inflation. Finally, I would hope the government would move towards the development of an expanded concept of accident insurance to encompass universal accident, as well as insurance to provide 24-hour-a-day coverage on and off the job. My colleague the member for Nickel Belt (Mr. Laughren) set out that concept and that proposal at this committee last year and on a number of other times over the course of the last 10 years. I do not need to belabour that with you again tonight.

I hope you will take these comments, as they are intended, as what I feel are constructive criticisms. No matter how vehemently I may express them, they are intended to be constructive criticisms. I believe they offer you the opportunity to design a piece of compensation

legislation that would indeed be without parallel any where in the world, that we could be proud of as a province and as a society, and that is within our capacity to do. We can take some of the suggestions Mr. Weiler has made and build on them and improve them.

Let us not try to lock ourselves in the kind of tradeoffs that Mr. Weiler seemed to feel were necessary: if we give you this, we take away that. We will give you some pensions based on earning capacity, but we are going to take away permanent pensions for everybody else. We will give you better benefits for survivors, but we will take away your Canada pension plan. We do not need that and we will not support that, and the working people of this province will not support it. They will not support that kind of bickering and bargaining over the lives of injured workers. I think the people of this province expect something more generous. I hope you will support that.

The Vice-Chairman: Thank you, Mr. McClellan. Mr. Riddell has asked to speak. Do you have a question?

Mr. Riddell: Do we hear from the minister first?

The Vice-Chairman: Maybe we should hear the responses from the minister and from the chairman to the questions posed by the critics.

Hon. Mr. Ramsay: Mr. Chairman, I do not think there were many questions asked. There were a lot of opinions expressed, which I have listened to with interest and made notes on. With respect to the two submissions you referred to, Mr. McClellan, I assure you I will read them just as soon as I can. We still have a large number of groups that are asking for meetings to discuss the Weiler report and we are trying to accommodate those just as quickly as we can.

I will take with me the points you have made and I will also be studying Hansard afterwards to get a more complete summary of your opinions. I am certainly looking at this with an open mind and I will be taking all of this into consideration as we try to develop this legislation. Other than that, I do not have anything else, Mr. Chairman.

9:40 p.m.

Mr. Di Santo: On a point of order, Mr. Chairman: The chairman of the board gave us a report. He did not mention the Weiler report and the white paper that was tabled by the then minister in the Legislature last June. As my colleague the member for Bellwoods said, this is very much part of what the Workmen's Com-

pensation Board will be involved in when the next legislation is introduced. If the minister does not give us an answer or an indication of what direction the government intends to go, I think this debate is perfectly useless and a waste of time.

Mr. Martel: Can I speak to the point of order?

The Vice-Chairman: Yes.

Mr. Martel: Could I simply ask if the chairman of the board is prepared to respond to any of the points made by Mr. McClellan because he certainly will have opinions and will have made recommendations to the government on what he considers is the way the government should move with respect to the Weiler report? He has heard the comments, and I was wondering if Mr. Alexander is prepared to respond in any way on those matters.

Hon. Mr. Alexander: Let me put it this way. I have certainly read the Weiler report in the first instance and I have read the government's tabling of the white paper, together with the proposed legislation, and I find that they are very significant documents from which we can spring. There is no question, as I have stated, that we should always be subject to change. As to the type of change that is required, legislatively speaking, Mr. Martel, you know I would be a little out of line if I were to start to talk about policy now. It is not that I am afraid to talk about policy, but it is a matter of record that when I am sitting where I sit, if we are going to discuss policy, then I should be sitting where the minister is sitting.

You have brought certain matters here, Mr. McClellan. You talked about 100 per cent, not 75 or 95 per cent. That is a policy the government should have under serious consideration in terms of where it is going. You also mentioned that flexibility and discretion are needed. You called something obscene. Once again you are talking about government policy. You also talked about there being a formula, as you call it, to get away from the meat chart. I think we are all interested in criteria that would bring about a more understandable process, but I do not accept the meat chart that you continually raise and project as being a sounding board. You say, as well, that there should be a legal right under statute for rehabilitation. Once again you are talking about government policy. The minister has indicated that he has taken all those matters into consideration.

You also mentioned that it should be legislatively possible to have automatic indexing.

Once again that is government policy. You have indicated—this is Mr. Floyd Laughren's matter—the 24-hour coverage. We all know of the New Zealand experience. I hear it is going bankrupt, but be that as it may. I mentioned once before that the moment when you start talking about moneys coming from general revenue, I back away. I say once again, Mr. Laughren—I think he is listening, but he heard it anyway—you are getting involved with government policy.

Twenty-four hour coverage has nothing to do with workmen's compensation at this time. It is not in our act. We know what the New Zealand experience means. Those are accidents. They talk about government funding, they talk about the motor vehicle operator being involved, and they talk about Workmen's Compensation Board being involved. These are matters the minister will discuss if he so chooses. It is not in Canada as yet. I do not know whether it ever will be. It is not my responsibility to determine whether it should.

As I continually tell members, I am an administrator. We implement whatever policy the government implements. It is up to you chaps, lady and gentlemen, to bring to the attention of the minister the kind of legislation you want. That does not say that the minister does not consult with the board in order to determine how we are doing this particular initiative and how it is working. Yes, of course he does. But at the same time it is up to you people, if it is legislatively possible—and I know something about this—to bring in the kind of amendments you think are required in order for you to have the type of Workmen's Compensation Act you would like to have.

Having said all that, I know, having sat as a minister for a short period of time, that it is incumbent upon us as a board to proceed to look at what is on the table now. I do not want this board to be caught as the feds were caught when they brought in amendments to the Unemployment Insurance Act. I was the critic at that time. I sat right where you are sitting, and all hell broke loose because the government brought it in and nobody knew what it was all about. It has not happened with this board because we have looked at the white paper and we have looked at the proposed legislation, and the former minister said that if there are no substantial objections he is going to move ahead. Once we read that, we say, "Ladies and gentlemen, let us now proceed as if that is going to be the legislation."

You have asked a number of questions that perhaps we can answer later on because we have looked at the white paper and the proposals in terms of what is on the table now. We are not going to wait until the last minute and then run hither, thither and yon to try to do the administration that is necessary with respect to what I say is a very complex act. So don't think we are just standing still. I know you never said that.

Perhaps for your edification, and I am not saying I am giving you this because I support it, I think you should know what is going on in other provinces. I have just returned from Montreal where all chairmen of the respective boards across this country met. We had a good exchange of information about where boards are going and where we should be going.

I want to put on the table, just for the edification of members, some of the points you have mentioned, Mr. McClellan. You talked about the proposal—and here is the thrust of Weiler—that wage loss benefits for permanent disability should cease when the worker attains the age of 65 to be replaced with retirement income loss benefits. You knew that Saskatchewan has adopted that matter; you knew that New Brunswick has also gone that route as well; you probably knew too that in the past few days Newfoundland has adopted many if not most of Weiler's recommendations.

Mr. Laughren: We have seen some of their ceilings too.

Hon. Mr. Alexander: All right.

Mr. Laughren: You are picking out the ones you find appropriate for your case.

Hon. Mr. Alexander: Sir, I can tell you that Alberta has moved to \$40,000; I can tell you that Newfoundland has moved to \$40,000. I am not going to hide anything.

Mr. Laughren: But that is not what you said.

Hon. Mr. Alexander: Mr. Laughren, I know you get excited sometimes.

Mr. Laughren: You are being very selective.

Hon. Mr. Alexander: I am not being selective. Mr. McClellan mentioned the cutoff at 65.

Mr. Laughren: Yes.

Hon. Mr. Alexander: I am addressing that. This is for the edification of the committee.

Mr. Laughren: The obfuscation of the members.

Hon. Mr. Alexander: I think the members duly elected by the people are bright, they understand, they want to know and they should

be told; so I am taking this opportunity. You can write to Saskatchewan, if you will, and ask them how it is going on. The chairman there is Brian King. He is a very astute young man and he will be able to tell you how it is working, why they implemented it and so forth. You have talked about the stacking of benefits. Here is something else. This is the thrust of Weiler, and I want to let you know what the provinces are doing in this regard.

British Columbia has accepted that, Saskatchewan has accepted that, New Brunswick—

Mr. Laughren: They make you look sick in what they are doing.

Interjections.

The Vice-Chairman: Order.

Mr. Williams: Show some respect.

Hon. Mr. Alexander: I was very quiet because I respect my colleagues, having sat there myself, and I wouldn't want—

The Vice-Chairman: Excuse me, Mr. Alexander.

Hon. Mr. Alexander: May I go ahead, sir?

The Vice-Chairman: Could you continue?

Hon. Mr. Alexander: Thank you very much.

We are talking about the stacking of benefits. Maybe Mr. Laughren did not want to hear this, but I think he should. It is in place in British Columbia, Saskatchewan and New Brunswick. Let's talk about the dual-award systems.

Mr. McClellan: You are not talking about the Canada pension plan.

Hon. Mr. Alexander: I was talking about the idea that the stacking of benefits should be reduced by deducting CPP, disability and survivor benefits from workmen's compensation benefits in cases of permanent disability and survivor awards. That is the Weiler thrust. I say to you, with all due respect, that British Columbia is moving in that direction, Saskatchewan is moving in that direction and New Brunswick has moved in that direction.

Mr. Di Santo: Let's discuss the merits of the recommendations, not what the other provinces are doing.

9:50 p.m.

Hon. Mr. Alexander: I think perhaps you were waiting for me to give you this and you didn't hear what I was saying. I said these are policy matters in which a chairman of the board has no business telling the minister how to run his department.

Mr. Laughren: We understand that.

Hon. Mr. Alexander: All I am saying, for the edification of the members, is that they should know what other—

Mr. Laughren: You are telling us, not the minister, though.

Hon. Mr. Alexander: Well, the minister is sitting right here, so he can hear. We were talking about the deduction of CPP. I am giving it to you. I am not saying that I am behind it or for it because that is not my role here.

You talk about the dual-award system. You probably know, just of late, by reading the newspapers that in cases of widows Newfoundland just moved into this area. We can also say that Saskatchewan has moved in the direction of lump sum and earning loss or deemed loss. New Brunswick has moved in that direction. Quebec has moved in that direction for asbestosis and silicosis only, and, having just met them, I know they are moving in the same direction in due course.

You asked me whether I had any comments to make. In all fairness, I think that in order to maintain some credibility those are the comments I can make with respect to a government introducing legislation. I will tell you that I would like to see us have one of the best boards on the North American continent, even more so than we are now. I do not have any hesitation in stating that, having travelled this country and having travelled to the United States, where I know something of the system they have under their wings, and a lot of them wish they had the system we have in Ontario. I am saying that here in front of colleagues who I know will respect that.

I am not trying to be political or partial. Ask anyone, and I know you all travel. Go to Saskatchewan, BC, or across this province, go to the States and they will tell you that this is one of the best boards. My hope is and my thrust is that we are going to maintain that high profile with the help of you members, whose duty it is and whose mandate it is to advise the minister, as you have done here tonight, about the kind of board and act you would like to see. All I can say is that we will try our best to give you what you want in service and credibility once that act is introduced.

Mr. Martel: To go back to the point of order, the difficulty for us as members is that while I suggested to Mr. Alexander that he might respond, the minister has not responded to anything. Surely the minister, although he is new in the portfolio, has some gut feelings about

certain aspects, but he chooses not to respond. I realize the newness of his job and that he does not want to get into hot water and be committed to something down the road, but surely he has something with which we can discuss the proposals that are presented.

When we get a response from the minister saying, "Well, I'm going to look at it," surely the minister has some ideas so we can engage in a dialogue. There is no dialogue here when we present ideas and the minister says, "I will look at them," and that is the end of the dialogue. I am not holding the minister to anything he might say now in terms of later introduction of legislation, but surely there are opinions and things he holds that he feels might be done. How can you have a dialogue when somebody says, "I will look at it"?

Mr. Williams: On the point of order, Mr. Chairman, I think surely Mr. Martel, Mr. McClellan and Mr. Laughren, if he is still with us, were speaking somewhat with tongue in cheek when they expected an immediate and absolute response on the point of order raised by Mr. Di Santo suggesting that Mr. Ramsay elucidate the criticisms or observations of some of the major proposals of the white paper, which is still simply that.

It is a document that is under assessment. As the minister said a few moments ago, for the benefit of those members who were not listening when he was speaking, there are still a number of people who want to make representations with regard to the white paper. Unquestionably it would be presumptuous and premature for the minister to be making statements and taking specific positions on these proposals while the white paper is still very much under consideration.

The point of order was trying to elicit from the minister specific responses and positions on the proposals that Mr. McClellan was criticizing. I say you have to be speaking somewhat with tongue in cheek when you know that he is not in that position at this time. It is not a question of his newness in the office at all.

You have to put this into the proper perspective. At the time that the white paper has been given its full assessment and consideration, and all people have had an opportunity who are interested in this to make representations—

Mr. Laughren: You have to answer for your sins. You have to answer for them some day.

Mr. Williams: —then I am sure the minister in the fullness of time will make the analysis you

are looking for. In that sense the point of order is not really a point of order at all; it is a request for information which it is premature to elicit from the minister.

The Vice-Chairman: The minister wishes to make a brief response to the point of order. Then we will continue with the chairman's answers to the questions.

Hon. Mr. Ramsay: Mr. Laughren is absolutely right. I am going to have to answer to it some time and I am quite prepared to do so, but it would be presumptuous and dangerous for me to be giving opinions at this time in a forum like this on a matter that is very complex. I readily admit I have much to learn about it. Mr. Martel knows I have been in this job for less than six weeks. It is a very complex ministry. Granted, I was in that ministry as a parliamentary assistant for a short period of time—I bring that up before you bring it up—but that was a very loose affiliation which gave me little opportunity to learn very much about the ministry at that particular time.

In those six weeks I have been putting in every imaginable hour in the day. If there were more hours in the day I would put them in so that I could learn the various issues in every division and every department of the ministry. It is impossible for me to have a handle on it this early—I say that with complete candour—but I will have a handle on it. I will be prepared to debate with you, but I am not going to make frivolous comments and try to snow you with whatever you want to hear or do not want to hear. I want to be frank, open and honest with you. At the appropriate time I will be, but this is not the appropriate time.

Mr. Laughren: So what is the sense of this hearing? Why are we here?

Mr. Martel: I make only one point in response. If the legislation is introduced, we know that once it is introduced changes will not be forthcoming. We are trying to enter a dialogue at these hearings that present maybe a different position to Weiler's so that we can discuss it. Once the legislation is introduced, it is too late to get any fundamental change in any act. You and I are both well aware of that.

Mr. Laughren: The minister is too new and the chairman cannot discuss policy. That is really a good combination.

Hon. Mr. Ramsay: I appreciate your frustration. I did not schedule these meetings for this week.

Mr. Laughren: Let's postpone them.

Mr. Martel: We will do the 1980 act next week. We can't do the 1981 report for two weeks.

The Vice-Chairman: What I would propose is to let the chairman respond to the questions that the critics put to him in their opening remarks—questions that are not matters of policy.

Hon. Mr. Alexander: Now you are right on target.

Mr. Wrye: May I speak briefly to this point of order. The matters raised by Mr. Martel and Mr. Laughren deserve a little more consideration before we move on.

I appreciate the comment Mr. Martel just made. I wonder whether it might be possible, with the concurrence of the committee, to adjourn—I am not sure on this; there are parliamentary experts who know better than I on this—one aspect or perhaps one day of these hearings until the minister has read the report and the white paper and is prepared to comment on aspects of them.

There is a certain amount of concern on the part of my friends in the NDP and on our part that we should get into some of the Weiler report recommendations and the recommendations of the white paper before the legislation comes down. Perhaps this would be the forum in which it should be discussed.

10 p.m.

The chairman of the board made a number of comments earlier on the point of order as to what the provinces have done. It might be interesting to know whether the minister is preparing to move in that direction or whether, once he has studied it, he has concerns as to whether those directions are correct or not. I just wonder whether we should go ahead with three days of hearings, or whether we ought to have perhaps two days and hold a day in abeyance, so that the minister can discuss these matters with us once he has familiarized himself with them.

Mr. Williams: Mr. Chairman, on that matter, I think there is a legitimate point of order. I would draw to Mr. Wrye's attention and to that of other members of the committee, that the order of business before the committee, as ordered by the House, is that, "In compliance with section 81 of the Workmen's Compensation Amendment Act, 1973, the annual report of the Workmen's Compensation Board for 1980 be referred to the standing committee on resources development for consideration the

week of March 29, the sittings of which shall be transcribed by Hansard and appended to the Hansard proceedings of the House."

I would suggest to you, Mr. Wrye, with respect, that the discussion of the Weiler report and the white paper, as it is commonly called, is out of order in any event because it is not the subject matter that has been referred to this committee, it is the 1980 annual report of the board. We should get on with the business of discussing the work that has been assigned to us, which is to deal with that report.

The Vice-Chairman: I shall allow one more point on this point of order.

Mr. Martel: I think we should proceed, but I also say that the 1981 report should be forthcoming shortly as we are now into 1982. There is an opportunity to order the business two months down the road to consider the 1981 report, and we should look to that possibility as soon as the board gets its report out—not 18 months late but on time.

Hon. Mr. Alexander: Just a minute, Mr. Martel. I think when you say the board gets its report out 18 months late, with all due respect, and I say this with a great deal of hesitation, you people have to get off your you-know-what and start holding these meetings a little earlier so that you will be more up to date. This is not our fault.

Mr. Martel: We just got your report.

Hon. Mr. Alexander: What? The 1980 report? It has been tabled since last June. The 1981 report will be tabled in June.

Mr. Martel: You have had six months. Why didn't you introduce it sooner?

Hon. Mr. Alexander: We have the legislative requirement that the Provincial Auditor be involved. I ask you why we are just now discussing the 1980 report when it has been tabled since June.

Mr. Martel: I do not order the business.

Hon. Mr. Alexander: I am not arguing with you, but don't put the blame on us.

Mr. Martel: Get your report in sooner. We will have another opportunity.

Hon. Mr. Alexander: The report has to be audited. The auditor has not seen it yet but it will be there. However, you have had the 1980 report since June.

The Vice-Chairman: I think we have heard enough on the point of order.

Mr. Martel: We can have another session three months from now.

Hon. Mr. Alexander: We can always have another session. You know the board is always prepared to be here.

Mr. Williams: Mr. Martel should speak to his House leader.

The Vice-Chairman: I suggest we get on with the business.

Hon. Mr. Alexander: We always have this little exchange, Mr. Chairman. We all have to set one another straight. We will go now to Mr. Wrye and try to answer some of his questions.

I think the first question had to do with the decrease in the numbers from roughly 445,000 to 415,000 claims. My immediate answer is I would like to think that is because the province is becoming more safety conscious as a result of the safety associations that are involved with trying to bring about an environment which, as I have often said, would help put the Workmen's Compensation Board out of business. In other words, if we do not have any accidents and no industrial disease, we are out of business.

I would say that is one of the reasons. Of course, another very obvious reason is the fact that—Is anybody paying attention to me?

Ms. Fish: Yes, we are.

Mr. Wrye: Is the important fact—

Hon. Mr. Alexander: Is the important fact—you see, Bill, I am right with you. I want to know whether everybody else is with me; I know you are.

Another very obvious reason is the important fact that unemployment is involved with this as well. Further, I can say the layoffs to which the whole country has been subjected do have some effect on the numbers of claims.

Those are the immediate answers that come to my mind, but I believe we have with us Mr. Ron Stephens, who was the executive coordinator of the policy planning secretariat, and I know he will want to pursue this matter.

Mr. Stephens, I know you can amplify the answer I just gave, which restricted itself to safety, to unemployment and to layoffs.

Mr. Stephens: Yes. I think you handled it quite well, Mr. Chairman. The main reason why there was a sharp drop in claims is that the employed blue-collar labour force was greatly down in 1981 versus 1980 and there was a lower at-risk employment group that would have had accidents. Second, there was some evidence that the safety education and accident prevention programs of the safety associations are beginning to have a positive effect, too.

Those are the two main reasons, really.

Hon. Mr. Alexander: Thank you very much, Mr. Stephens. Are there any questions as a result of my answer and that of Mr. Stephens?

Mr. Williams: Mr. Chairman, I mentioned earlier that what I think are some additional reasons were set out in the annual report on page 10, which indicated—

Hon. Mr. Alexander: In the 1980 report?

Mr. Williams: Yes. But I presume that the three reasons which are cited there and the fourth one in your submissions this evening probably would have equal application to the events which have taken place through 1981, as they apparently related to the situation in 1980:

“The decline in appeal board hearings appears to be due to a number of factors. First, more appellants, usually on the advice of their representatives, asked for a hearing and a decision by an appeals adjudicator rather than an appeal board. Second, the percentage of appeal cases allowed at the appeals adjudicator level rose, thereby reducing the potential number of cases that could be appealed at the second level of the system. Third, the slight decline in the number of appeals at the appeals adjudicator level again reduced the number of cases that might ultimately have been heard by an appeal board.”

In addition to what this gentleman has mentioned, these seem to be the salient factors that have related to a reduction over and above the reduction in the blue-collar work force.

Hon. Mr. Alexander: I think the two questions are—

Mr. Wrye: Mr. Chairman, if I might refer to the explanations of the chairman of the board and Mr. Stephens. Leaving aside the safety factor for a minute, I do not know whether you have any month-by-month tracking but given the weakness in the economy that you have now spoken about, let me ask the question the other way.

Given the high level of unemployment and layoffs in this province, especially in the blue-collar industries, by the end of the year, given the employment levels in 1981 as opposed to the employment levels through 1980, is the number really down? If you had a plant close which throughout the last three or four years had an average of 150 claims through injuries and that plant was closed through all of 1981, then we should remove those 150 claims from it. So is your number really down? Your number is down 6.5 per cent, I believe.

Hon. Mr. Alexander: Down to about 415,000 claims.

Mr. Wrye: So you are down about 6.5 per cent from the year before. Given the level of unemployment, considering the number of plants that were closed, are you really down?

Hon. Mr. Alexander: I can only go on the basis of the figures that have been supplied to me by the division, and you have heard the explanation by Mr. Stephens. I think we stand by the figure that is in my submission. I think it says 415,000, down 6.5 per cent. I do not know whether Mr. Stephens could add anything to that. I know you are not questioning—

Mr. Wrye: Has he attempted any breakout of the movement of the number of claims as we moved in terms of unemployment, month by month or whatever?

Mr. Stephens: We do a tracking. We produce a monthly report called a monthly incidents report, which is the total number of claims reported to the board by month. We also track the employed blue-collar labour force by month, and we have found that the drop in the employed blue-collar labour force has been slightly less than the drop in claims. We are talking about a 6.5 per cent drop for the year and I think the employed blue-collar labour force is down about three or four per cent. We attribute the difference to the likely positive effect of the safety education and accident prevention programs of the safety associations employers, unions, etc.

10:10 p.m.

To answer your question: we do track it on a monthly basis and it is a monthly senior management report which gets distributed in the board.

Hon. Mr. Alexander: I think the next question had to do with the decline in appeals. I indicated what the present situation was, but I think that in order for you to get a full and expansive explanation of what is going on I will call on the registrar of appeals, Mr. Doug Farquharson who is here as well. He will be able to expand on what I had in my opening statement.

Mr. Williams: I guess I jumped the gun on that.

Hon. Mr. Alexander: You got into it.

Mr. Williams: I am sorry about that.

Hon. Mr. Alexander: It is all right, Mr. Williams. You were helpful in that regard. It is on page 10, for those of you who want to know what some of the reasons are with respect to the decrease.

Mr. Farquharson: I guess I will just refer to the comments the chairman made. The procedural change has had its impact. With regard to the requirement we made that parties review the summary of information, we found that, although we granted more access—that is, more summaries—parties proceeded with fewer appeals. We also found that—

Mr. McClellan: Is this a result of the summaries?

Mr. Farquharson: As a result of reading the summary before deciding to appeal, whereas the system prior to that had many people asking for an appeal date and the summary of information and proceeding with the scheduled date without already having access to the summary. So although our motive in doing it was really to reduce the number of postponements—and it certainly has done that as well—we also found that the secondary effect was that it seemed to reduce the number of appeals even though we granted more access.

We also found that the first-level decisions by the appeals adjudicator increased quite remarkably and we feel there that the cases which came forward were more meritorious. This was also reflected in those cases that went on to the appeal board. That is, if the appeals adjudicator allowed more there were fewer disallowed claims in which there could be an appeal to the appeal board, and also, perhaps—and I guess it is a perhaps—the cases that went on to the appeal board which were denied perhaps there again did not have quite the same merit.

Mr. Wrye: Could I just ask a question? The figure the chairman quoted in his opening comments on the number of appeals allowed at the appeals adjudication level in 1981 was 52 per cent, if I am not mistaken. How does that compare with the 1980 figure?

Mr. Farquharson: It was 53 per cent in 1980, and it was 52.5 per cent.

Mr. Wrye: So there is very little movement.

Mr. Farquharson: Yes. It is an equivalent. Looking forward to 1982 we are interested, with the expanded access once again, as to what its effect will be.

Mr. McClellan: I was going to ask you about that. I suppose the question that flows out of the comments you made, Doug, was why did the board abolish the summary of information? I understand the new policy, but I do not understand why the summaries of information were abolished.

Interjection.

Mr. McClellan: Or rather, the question is whether there has been time to assess whether the abolition of the summaries of information has had any effect yet on numbers of appeals or ratios of appeals.

Hon. Mr. Alexander: I cannot answer the question about the ratio of appeals, but the specific question that I can answer is the first one, I hope.

You can recall, Mr. McClellan, that when I first took office as a lawyer I was very concerned about the kind of limited access that had gone on for some time. I was quite concerned about it and one of the first things I had planned to do was to see to it, primarily because the representatives were able to get to the board, they were able to look at the file, they could not get photocopies of it. Most of the representatives were ordinary people, whereas the McCarthy and McCarthys who deal with workers' compensation could come down with a tape recorder, sit down with a secretary and go through a file no matter how thick, and record the whole thing. So I thought there was an inequity in that regard.

More than that, I could not understand, with the thrusts that I had seen in the Krever report on confidentiality of information—and I have to get back to Weiler, who also touched upon it—why access should not be given. Rightly or wrongly I felt that within the confines of the act we had the authority to move in that direction. In my view the worker should have been able to see what was in his file; and he did not have that opportunity before.

Mr. McClellan: I understand all that. Why did you abolish the summary?

Hon. Mr. Alexander: I am going to get to the summary of information shortly.

Mr. McClellan: I am drowning in paper.

Hon. Mr. Alexander: You are drowning in paper, but you are one of the ones—no, I will not say that because I am not sure. But I would think that you are one of the ones who said, "Look, I want that file."

Mr. McClellan: I did not ask for the whole file.

Hon. Mr. Alexander: Well, now, there you go.

Mr. McClellan: I asked for access to the file.

Hon. Mr. Alexander: You have access to the whole file. As a matter of fact, you tell me—

Mr. McClellan: Why do you have this belligerent attitude?

Hon. Mr. Alexander: It is not a belligerent attitude. I come from the same forum where you now sit. It does not bother me one bit because I can get in the same arena. It is not belligerency because I like you. I cannot go too far because someone is liable to say I am supporting you, but I appreciate the concern you have registered so adequately. All I am trying to tell you is you cannot have them both.

Mr. McClellan: Why not?

Hon. Mr. Alexander: Because you have the whole file.

Mr. McClellan: Yes, sure.

Hon. Mr. Alexander: So why do you want the summary of information? I will tell you why. Because a lot of people believe that what we were putting in those summaries of information—and you may have said this too, I am not too sure so I cannot say, but many said we had something to hide, that we were not putting it all in, which was a crock of boloney.

Mr. McClellan: Sometimes they were inaccurate. Let us assume they were. I did not say it was deliberate.

Hon. Mr. Alexander: I do not think you would.

Mr. McClellan: If I have the opportunity, I will say what I want to say.

Hon. Mr. Alexander: I think this has been one of the most significant steps the board has taken since its inception in 1915. I do not know why you do not like it.

Mr. McClellan: You are not allowing me to express my concern.

Hon. Mr. Alexander: I know the question. You want to know why you cannot have the summary of information. I say it is not required now because you have the whole file. You should have thought before.

Mr. McClellan: It could be a question of cost effectiveness; if it is cheaper for you. I do not know how long the policy has been in effect, probably a couple of months.

Hon. Mr. Alexander: Since the summer.

Mr. McClellan: I have a stack of files that is starting to approach the top of my ceiling.

Hon. Mr. Alexander: That is what you wanted, that is what you have.

Mr. McClellan: What I asked for was access to the files. What I would like to be able to do—and here is the ideal situation—would be to get a summary of information that tells me what is in the file with respect to decisions and

medical reports. I do not want all the memoranda from all the adjudicators; I do not want to read that. I want to know what is in the file on the decision basis, and what is in the medical report.

I look at this and I say I need to go down and look at the file. I go down and read it, compare the summaries of the file and I say, "It would be useful for me to have this page of the file." In case people have not seen the files, the files vary from six inches upwards. So I would say to the very helpful person who is always there on the 21st floor, "I would like a Xerox of these two reports," and then I am on my way.

Instead, what do I get? I get all eight inches of the file. I do not know how much it costs you to Xerox all of this stuff. I do not know how many people are occupied in Xeroxing all your files; I am sure the cost is stupefying. I do not need it but I have to get it because I cannot get a summary of information.

10:20 p.m.

I am not in a position to assess the cost questions, but it seems to be a crazy way to go about implementing an access policy. We appreciate having access so do not get us wrong; it is a progressive move. I am just saying would it not make more sense to continue the summary of information and let the representative decide which pages of the file he sees, rather than the whole thing? My office is only about half as big as this room and it is not going to be too long before I will have to move out. There will be nothing left but WCB files.

Mr. Riddell: Typical white-collar attitude—he wants the work done for him. If he had some experience on the farm he would know how damned well had to do the work.

Hon. Mr. Alexander: Mr. McClellan, I think with all due respect, I must answer this question.

Mr. McClellan: If you had ever done compensation case you would not be laughing so hard, Jack.

Mr. Riddell: I have been on compensation cases. Do not kid yourself.

Hon. Mr. Alexander: When the policy was introduced I said it was not engraved in stone. Obviously we are in the formative stages now. We think it is one of the best access policies there are. As a matter of fact, not many provinces grant access.

Mr. McClellan: Do not get me wrong. I am not complaining, I am just making suggestion

Hon. Mr. Alexander: But I have to put certain things on the record. I appreciate that kind of constructive criticism, but in reply I have to say that, having listened to you, having heard your concern, I find it is constructive criticism in that the said access policy is not engraved in stone. In other words, if we can improve on it, we will. But to answer your direct question regarding the summary and access, perhaps we can have Mr. Doug Farquharson elaborate.

Mr. Farquharson: Perhaps I can help just a little bit, but then again, I am not sure. The summary of information we used for something like 15 years—and I must admit I can remember this very well. When the summary came out many representatives who dealt with the summary raised problems similar to those being raised now. They saw this medical terminology and all those expressions thrown out and they asked for a lot of assistance in interpreting the summaries.

We have heard submissions from some labour groups that are concerned they do not get the summaries but are looking at actual reports. Perhaps we should not have done so and maybe we did interpret certain reports, and if you are portraying things accurately, you really should not do that.

I think part of it is a familiarization process and we have only been into the policy three months. I think people will—as they do now when they come in and read files—start to know the structure of the file, know where the decisions are, where medical reports are and the chronological flow of the file. We have many people who come in and look at files and they become quite expert. Your own experiences have gone along these lines.

We have thought about the customized photocopy but we just cannot do it. We have something like 150 people a month coming in just to head office. To have a worker or a representative say, "I want copies of this now," the whole system would come to a stop. We felt the best way would be to give parties photocopies of everything to see how the process works. Perhaps one day they will say, "Give us copies only of the relevant documents" and trust the board to give the appropriate documents—perhaps supporting that by looking at the file to see that we do all the right things. It might come to the point where we can do that.

We see that, right now, it is probably a novelty. We have had a rush of people asking for summaries. At the rate of access right now we

expect to do about 6,000 photocopies this year, which is over twice what we did in summaries. We do not have the resources to do both.

I would say we found that most of of the parties who had access were critical of the fact that they could not get photocopies. We found that many union representatives, many members and legal aid representatives for that matter, were still very critical, even though they had access, of the fact that they could not get photocopies of the entire file. Perhaps we are still in a bit of a learning process. We are meeting with labour groups and we are interested in getting some feedback on it.

Mr. Williams: How do you arrive at that 6,000 figure? On what informed estimate base do you arrive at that figure?

Mr. Farquharson: Although appeals have gone down we have found, probably because parties are more aware of it, that they have been asking for an increasing rate of summaries of information. So we just projected that. If it were still summaries, we would have something like 3,200 requests for access from workers. Employers also are entitled to access, although not as many are asking for it. So we just projected, generally speaking, about 6,000 in 1982.

We are running at that rate right now. We are actually getting about three times the rate at this time of the year as we would have expected under the old system, but we still think we will round out at about 6,000 requests for photocopies of files in 1982.

Mr. McClellan: We are quite happy to give the new policy a chance to work and I am not saying it should be interpreted that we do not appreciate the new policy, because we do. I am trying to make a suggestion that, if it is at all feasible, might have simplified things. If it is not possible, it is not possible, and we will just see what happens.

We are getting a lot of paper that we really do not need and I am sure it is costing the taxpayers a hell of a lot of money.

Hon. Mr. Alexander: As I said, I appreciate that constructive type of criticism. As Mr. Farquharson said, the thing has been in place for only about three months. We are in the learning process now and, as I said, it is not engraved in stone. If possible, we will listen to people who have access. When they have suggestions to make, I am sure my colleagues at the board, particularly those in the appeal section, will take all suggestions under consideration and in due time will bring another policy

before the board to implement the suggestions that have been made. Everything will be given very serious consideration.

I think the next one I have down here is regarding the Windsor employment blitz. You wanted to know more about that, Mr. Wrye. I think we are very proud of the program. It is part of our whole rehabilitation thrust. I travel across the province on many occasions just to bring this program to employers. As I say, it makes good business sense—I think you heard my speech—to hire the rehabilitated disabled worker because all studies we know of, whether it is the Dupont study or whether it is the chamber of commerce study, indicate that the rehabilitated disabled worker is as good as if not better than those who are not disabled. So we offer certain incentives.

As you know, there is the four-week assessment program that we are prepared to subsidize. In the event on-the-job training is required in order to place these people, we are prepared to negotiate with the employer in terms of up to about 52 weeks. If there is a requirement of any revision to the work place—there we are getting into the whole question of ergonomics—we are prepared to entertain that.

Of course, there is the second injury and enhancement fund where if any worker is injured as a result of our counsellors placing that individual, in terms of an assessment period and/or an on-the-job period, the employer will not have to face an increased assessment.

I see Mr. Darnbrough, who is executive director of rehabilitation, is here. I am sure he can expand on the comments I have just made. We are very enthused about the program and I hope the employers are. It has been supported by the unions, so we intend to proceed.

Mr. Darnbrough: I was quite pleased to hear Mr. Wrye's comments about the success of the Windsor blitz. It is a blitz for employment in which the board's organization sends a number of people into a predetermined community based on the number of people we have available for employment. We attempt to send this task group in. It is preceded by advertising campaigns. During the week of the blitz we have a number of speaking engagements, radio and television interviews, in which Mr. Alexander participates, and often a reception for both labour and management people.

In 1980, which is the report you are considering, 10 of these campaigns were conducted across the province. In 1981 it was expanded to 12 and in 1982 we will be conducting a further 10

campaigns throughout the province. We have found it extremely successful. We have found the employers and the community in general receptive to the campaigns.

Mr. Alexander has mentioned that the unions are in support of the employment campaign in the province. They are indeed. We now have in the neighbourhood of 30 union groups that have written to us confirming their support of the program that is being presented by the province. In the 1980 report you are looking at, it is notable that through these types of campaigns the division was able to secure agreement from employers to provide us with 3,562 job opportunities and in 1981 that increased to 4,498. It is a very positive outlook for 1982. We are moving, as I mentioned, to 10 campaigns this year.

Mr. Williams: Is the computer system aspect of that now in place right across the province?

Mr. Darnbrough: Yes, sir. The job opportunity bank system that Mr. Alexander mentioned in his opening remarks came into place in June 1981 and was introduced gradually throughout the province over the fall of 1981. It has proved to be an extremely successful application. The attempt here is to compare in an automatic way the jobs that are available in the province to the people who are available and ready for work who have been relocated in some fashion and can enter the employment scene again.

Mr. Williams: Where is the computer system installed?

Mr. Darnbrough: The computer system is located in Toronto in the head office.

Mr. Williams: Does it serve all the regional offices?

Mr. Darnbrough: It certainly does. It serves the entire province. The details about job opportunities that are contained in the computer record at head office are available to each of our area offices by way of visual display terminals. The counsellors in the communities throughout the province have output documents generated each day at the present time which gives them information about the job opportunities available for the clients they are serving in the province.

Mr. Williams: So it is giving a new dimension to the whole rehabilitation process?

Mr. Darnbrough: Yes.

The Vice-Chairman: Mr. Lupusella, do you

want to put your question on record and perhaps Mr. Darnbrough could answer it tomorrow?

Mr. Lupusella: How many doctors are there on the board's staff at this time?

The Vice-Chairman: Mr. Lupusella, we are still dealing with Mr. Darnbrough on the rehabilitation program. Is it related to that?

Mr. Lupusella: I am sure it has reference.

The Vice-Chairman: I have you down here as following Mr. Riddell, Mr. Laughren, Mr. Lupusella and Ms. Fish for tomorrow.

Mr. Lupusella: All right. I will raise the question tomorrow.

Mr. Wrye: Just before we adjourn, Mr. Chairman, I want to tell the minister and the chairman I will be unable to attend tomorrow

morning's session as I already have a prior commitment. I apologize for that. I am asking if the chairman of the board would beg my indulgence and hold off any answers to other questions I have raised until Thursday evening when I will be joining you for the whole session.

Hon. Mr. Alexander: We will be pleased to accommodate you, sir, and if you want them answered in your absence I can do that as well.

Mr. Wrye: It would probably be easier if we waited until Thursday evening and then if I have follow-up questions based on the answers I can raise them. Thank you very much.

The Vice-Chairman: This committee stands adjourned until 10 o'clock tomorrow morning.

The committee adjourned at 10:33 p.m.

CONTENTS

Tuesday, March 30, 1982

Election of chairmen.	R-3
Workmen's Compensation Board Annual Report 1980:	
Statements:	
Mr. Ramsay.	R-3
Mr. Alexander.	R-4
Mr. Wrye.	R-7
Mr. McClellan.	R-11
Adjournment.	R-27

SPEAKERS IN THIS ISSUE

Andrewes, P. W.; Vice-Chairman (Lincoln PC)
 Di Santo, O. (Downsview NDP)
 Fish, S. A. (St. George PC)
 Laughren, F. (Nickel Belt NDP)
 Lupusella, A. (Dovercourt NDP)
 Martel, E. W. (Sudbury East NDP)
 McClellan, R. A. (Bellwoods NDP)
 McNeil, R. K. (Elgin PC)
 Ramsay, Hon. R. H.; Minister of Labour (Sault Ste. Marie PC)
 Renwick, J. A. (Riverdale NDP)
 Riddell, J. K. (Huron-Middlesex L)
 Williams, J. (Oriole PC)
 Wrye, W. M. (Windsor-Sandwich L)

From the Workmen's Compensation Board:

Alexander, Hon. L. M., Chairman
 Darnbrough, A. J., Executive Director, Vocational Rehabilitation Services Division
 Farquharson, D., Registrar of Appeals
 McDonald, J. F., Executive Director, Claims Service Division
 Stephens, R. W., Director, Program Planning and Statistics Branch



Ontario LEGISLATIVE ASSEMBLY

1 2

No. R-2

Legislature of Ontario Debates

4

Official Report (Hansard)

Standing Committee on Resources Development
Annual Report, Workmen's Compensation Board, 1980



Second Session, Thirty-Second Parliament
Wednesday, March 31, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, March 31, 1982

The committee met at 10:13 a.m. in committee room 2.

ANNUAL REPORT, WORKMEN'S COMPENSATION BOARD, 1980 (continued)

The Vice-Chairman: Ladies and gentlemen, I see a quorum and I will call the meeting to order. The minister has some remarks before we begin. Then I propose that we continue with the answers to Mr. McClellan's questions. I would remind you that Mr. Wrye will not be here and has asked for your indulgence until Thursday evening.

Mr. Williams: Based on the lack of turnout from the opposition, Mr. Chairman, I guess Mr. Alexander is coming closer to perfection than we had thought. The opposition seems to be lacking in initiative.

Interjections.

Hon. Mr. Alexander: Those are very kind remarks, sir.

The Vice-Chairman: We will take your comments, Mr. Williams, but we have to move ahead.

Hon. Mr. Ramsay: I just have one short item that I wanted to bring forward in the form of an apology. The deputy and I have a commitment at noon hour today. It is of long standing and I feel we must honour it. We will be leaving between 12 and 12:15, but we will be back tomorrow evening at eight o'clock for the full session.

The Vice-Chairman: We will look forward to the chairman of the board and Mr. McClellan continuing their discussion.

Mr. McClellan: I am assured that help is on the way.

Hon. Mr. Alexander: Is Mr. Martel on his way? Mr. Chairman, I listened with a great deal of interest to the submission made by Mr. McClellan and I at least can say I know where he stands anyway with respect to the Weiler report. Even though I cannot get too involved, it is always very important that I know what the opposition is thinking in terms of any possible government thrust. Getting down to the nitty-

gritty with respect to the questions, I do not think he asked me any questions other than about two.

Mr. McClellan: No, that was deliberate. I was gearing those remarks specifically to the minister.

Hon. Mr. Alexander: Yes, but you sort of bootlegged us into it there somewhere.

Mr. McClellan: Mr. Martel did that.

Hon. Mr. Alexander: No, he did not sir. You are the one who did it. I was interested in your 150 cases at any given time in the year. I cannot make any comment about that. I would not test you in terms of whether that is right or wrong. All I can say with respect to the expertise that we have at the board is that if you would give us an opportunity to know just what this backlog means in terms of your own ability to handle it, our counsel would be pleased to assist you. I am telling you something you know because I know that you get along with the board quite well in this area.

Another thing I noticed, sir, is that you are interested in and concerned about the staying in and opting out. Also, you brought to our attention whether we had any indication of those who are on permanent disability and receive the Canada pension. I think I would want Mr. Kerr to come to the front now. We do have a committee, as I indicated to you earlier, that was looking into the ramifications, the complications and implications of the proposed legislation.

Mr. Kerr has a committee in this regard and he would be able to let you know just what he is doing. I do not know whether he can answer those questions. They are questions I know they would be directing themselves towards to determine what the answers would be because it is part and parcel of the whole picture. Perhaps Mr. Kerr could come to the front. Would you use the microphone?

Mr. Kerr: Mr. Chairman, I will not be able to give direct answers to Mr. McClellan's precise questions, but as Mr. Alexander indicated, I will be able to tell you what action we are taking in the early stages of trying to prepare some preliminary planning for whatever legislation comes in. I have the pleasure of heading up a

group of executive directors and other senior personnel from the board, such as the actuary, the internal auditor and the executive coordinator of policy programming, to look into this matter.

Since there is no precise legislation on the books yet or even before the House, other than the white paper, I suppose you might wonder why we should be giving this matter consideration so far in advance. I think that would be a logical question to ask. We have found in dealing with other jurisdictions, such as Saskatchewan and others that have gone a similar route as proposed, that it took them quite a long time to prepare.

In Saskatchewan, although the act was amended, it was not proclaimed for a period of nine to 12 months, I think. I am not sure of the exact time period, but it was a long time period because it required the Saskatchewan Workers' Compensation Board to take that period of time to prepare for the changes. Here at our board we felt if it takes us that long, then surely we should, as a responsible board, try to do some preliminary thinking.

The next question that came to our mind is how to plan when we do not really know what the legislation will be in its final form. We decided that all we could do was work with the proposed legislation and the white paper, not presupposing anything, just taking that as a working document and recognizing that there no doubt will be changes in it, as any white paper usually ends up with some changes. We felt we would work on that basis, recognizing that we may have to change at any time, but if we do not do this preliminary work we will lose ground, and when the final legislation is approved we do not want to be in a position as an administrative body of saying it is going to take us nine months to prepare.

We started our meetings early this year and we felt that our approach should be, first of all, to identify the various tasks to be performed, having regard for each section of the proposed legislation. We did that and then we had to determine which division or service of the board would be responsible for looking into whatever is required under the various sections. We have made that determination and fixed responsibility for the task groups.

Then we had to decide on a priority basis because there are many areas that have to be explored. We set our priorities on the basis of developing administrative guidelines. With respect to assistance development, the application of

the computer is a very major consideration here and we recognize it takes months, because of the complexities of the situation, to change the programming and prepare for changes in concepts. It is not just a question of plugging in different figures in the computer, it is now a question, as the people who are expert in that area—and I am not an expert in that area—advise us, of time.

10:20 a.m.

Mr. Williams: Is this the same computer we were talking about last night in the rehabilitation program?

Mr. Kerr: Yes, sir. It is an integrated complex system and JOB, the job opportunity bank, is part of that computer. That is another point. When our computer people are making changes they have to be very careful that they integrate with all of the other very important programs on the computer.

We decided we would first devote our attention to things that had to do with monetary items, such as the proposed compensation rate, the proposed dependency rates, and things of this nature. How do we calculate compensation if the proposed scheme becomes law?

We have some 20 groups set up looking into these various things. We have established a responsibility for each division to look after their delineated areas on these little task groups. I say little but some of them have representation from perhaps four or five divisions or services of the board, because it involves those people. I will have a reporting system set up so that as time goes on they will report to me and then we will see what progress we are making.

Some of the members of the committee ask us why are we planning, once again, when we know the ground rules may shift. My answer to the members of the group is just as I explained to the committee—all we can do is work on what we have before us.

I have nothing to report at this time, except to say that they are working away. Various members of task groups are contacting other boards to see what they are doing. We do this as a matter of exploration. That is not saying we are going to copy any other board, but one good way of learning is to find out what other boards experiences are. That is an ongoing matter keeping in contact with other boards to see how they are doing, as they have done with us through the years.

I am quite pleased that we have this underway. It is rather a mammoth task and I suppose

the whole objective of our board in doing this preliminary work, which of course could be changed at any time depending on the legislation, is that when the act is amended and the new law comes into effect our administration will equal the excellence of the law to be passed.

Mr. McClellan: Could I just ask you, Mr. Kerr, if the board has done any studies yet to determine how many of the injured workers who on permanent pensions are also in receipt of Canada pension disability?

Mr. Kerr: At the present time, we have no concrete figures on that. We know from individual cases that come up through claims or rehabilitation that the individual is in receipt of Canada pension. We are hopeful that we will have some information on that, but I have no statistics to answer your question at the present time. We are hopeful that in the future we will have something on that for you.

Mr. McClellan: Is there a difficulty in getting that information?

Mr. Kerr: It is not something we routinely keep. It is in each individual claim file, but there are thousands of claim files.

Mr. McClellan: There may be confidentiality problems that I do not understand. I never did understand why Mr. Weiler did not get that information. We had specifically asked him to get that information. Yet he made recommendations that affect the relationship between the two programs. I would assume that one of the things you will need to do is precisely that. I would urge you then to do that so we have an understanding of how large a problem we are dealing with.

Mr. Kerr: Mr. McClellan's point is well taken. We will take note of that.

Hon. Mr. Alexander: Thank you, Mr. Kerr.

Mr. Sweeney: Excuse me. May I ask a supplementary on that computer system, please, Mr. Chairman?

The Vice-Chairman: Would you like to resume your seat, Mr. Kerr?

Mr. Kerr: The question may or may not be directed to me, sir. I am not an expert in computers, but ask your question.

Mr. Sweeney: Maybe the board chairman can answer it. On pages 12 and 13 of his report last night he refers to the job opportunities recorded in this computer bank. Where do they come from?

Mr. Williams: That question was asked last night.

Mr. Sweeney: Was it?

Hon. Mr. Alexander: Yes, that question was asked last night, but Mr. Darnbrough, the executive director of rehabilitation, is here. This is part of our integrated computer complex and I think he can answer it.

Mr. Sweeney: If it was answered, I will read Hansard. Thank you.

Hon. Mr. Alexander: All right. Mr. McClellan, I think you had another question.

Mr. Darnbrough: I think it was specifically answered, sir.

Hon. Mr. Alexander: All right then.

Mr. Darnbrough: We may be able to expand on what was said last night. I did mention that the vocational rehabilitation division is involved in a number of blitz campaigns—employment campaigns—around the province in any given year. There is an intensified effort during one of these programs to move in to a community and contact the employers in the area to arrange agreements that they will provide employment for disabled and rehabilitated workers.

When those agreements are established and the employer provides us with an opportunity for employment, then we record the details of that job on our computer system. It will contain a description of the job, some of its requirements in terms of standing and sitting, tolerances, dexterity, etc. We also would have the location of the job and the job as it is at present in the CCDO, the Canadian Classification Dictionary of Occupations.

When this information is recorded, having found the job, we then enter into the computer all of the profiles on injured workers who are ready to return to work. The system itself then provides automatic matching of injured workers with where they go to work and the jobs that are available. It has been an extremely successful program for us in many respects and has made it more convenient for us to match these people quickly and to make them available to the employer.

Mr. Kolyn: May I ask a supplementary to that? Mr. Darnbrough, I think we had a bit of a chat after the last estimates about this particular program. I would just like to quote the chairman's report of June 16, 1981:

"Last year we exceeded our expectations by finding 3,562 job opportunities; 1,212 rehabilitated workers returned to employment through

this mechanism. In view of our past success, we intend to conduct at least 12 employment blitzes this year."

I think I asked you at that time if we put more people onto it would we be able to find more jobs. We went into it quite a bit. Have we any recent figures as to how successful we have been by doing more blitzes? Have you any updated figures, except the ones I have read, which were in the chairman's notes of June 16, 1981?

Mr. Darnbrough: In 1981, which is not recorded in the annual report this committee is considering at the present time, we found 4,498 job opportunities. So it is a considerable increase over what was available to us in 1980.

Whether or not you could say that the additional two blitzes conducted in 1981 were specifically responsible for that is questionable. We did find that in the International Year of Disabled Persons that it had a much higher profile, that our media campaigns, our advertising before the blitzes began, the number of speaking engagements that we arranged during the blitzes, the radio programs and the television programs, and the receptions we held inviting the management of labour to participate contributed a great deal towards this increased success in finding job opportunities.

Mr. Mackenzie: Do you have a breakdown of the performance in each of the areas in which you conducted blitzes?

Mr. Darnbrough: I do not have that material with me by numbers of jobs found. I can give you the listing of the cities in which blitzes were held if that is of interest to you. In 1981, we were in Thunder Bay, Sault Ste. Marie, Hamilton, St. Catharines, Ottawa, Sudbury, Kitchener, North Bay, Windsor, Kingston and London. We held a special blitz in the Toronto area, involving essentially the construction trades and in particular the ethnic community of the Italian-Portuguese contractors.

10:30 a.m.

Mr. Mackenzie: Would it be difficult provide us with the figures? It was 1,498, I think you said.

Mr. Darnbrough: I would be pleased to do that.

The Vice-Chairman: Did you have any other comments, Mr. Alexander?

Hon. Mr. Alexander: There was another comment that Mr. McClellan raised. Without getting into the pros and cons regarding the independent medical review panel, I think we indicated—which raised some concern with

me—the fact we had misgivings about that panel because it would fall back, or be the same as, the type of medical reviews that we have now.

I think his bottom line was that any adjudication should be primarily based on the family doctor's report rather than on the board doctors'. That opens up a can of worms inasmuch as we do not rely on the board doctors alone. There is much expertise which has come into play. In order to have a full picture—I think this has been explained to you once before, Mr. McClellan, but we should go over it again—we will have Dr. McCracken.

Dr. McCracken, rather than get involved with the medical review panel as such, I would like you to indicate to Mr. McClellan where he is wrong—if he is wrong—with respect to his stating that any decisions are made primarily on the basis of board doctors with little emphasis given to the family doctor. In that regard, it appears to me that you think it is exclusively done by the board doctors.

Mr. McClellan: We are talking principally about pension rating in these things.

Dr. McCracken: Yes, I understand that, Mr. McClellan. I think to place it in perspective to the committee I must point out that of the 400,000-plus new injuries reported to the board each year, approximately 60 per cent are no-lost-time injuries but which do require medical care. It is very unusual for us even to be aware that those claims exist in the medical services division. In other words, the person is cared for by the family doctor, or by a surgeon in some instances—if some plastic work is required, for example. They recover, they return to work and we do not become involved at all.

Mr. McClellan: I would like to come back to those cases at some point during the estimates because I want to talk about that.

Dr. McCracken: In the remaining 40 per cent there are a significant number where the medical staff becomes involved owing to the complexity of the injury, where there is a person with multiple injuries, many of them serious—multiple fractures, head injuries, etc. Sometimes despite the treatment being rendered, the treating physician is unable to resolve the problem and the disability continues. In a significant number of those cases the physician contact the board and discusses the case with one of our medical staff, so there is excellent co-operation.

Following discussion, a new plan of action is developed. In a majority of those cases, the

family physician or the outside specialist continues to treat the patient and we have supplied our input to the treatment of the case.

We then come to the group of cases that are left with residual degrees of permanent impairment. These are the cases that naturally tend to be still more complex—many of them. Certainly they are complex because of the fact that they do not fully recover. You mentioned last night that you were concerned about some of these cases receiving an impairment evaluation without being examined. Indeed, we do have cases like that. How we are able to do that is because of our significant dependence upon the reports by the family practitioner and by the treating specialist.

Last year, of 14,500 cases evaluated for permanent impairment, 654 cases were dealt with without the necessity of examination by the board's physician staff responsible for the evaluation of permanent impairment. The evaluation was carried out solely on the clinical opinions expressed by the treating physician and/or by the treating specialist. We depend significantly upon the information we obtain from these sources.

The remainder were of more complexity and in order to ensure that uniform decisions are made—this, as you can appreciate, is extremely important—it was necessary to carry out examinations. In the vast majority of cases the clinical material which is in the file from the treating physician, his initial report and his progress reports and the consultation reports from the consulting specialists, are in total agreement with the findings of the board physicians when they review the file and examine the patient.

There is, I would submit, a small percentage of cases where there is a difference of opinion. I hasten to point out that this is part and parcel of the practice and the application of the science of medicine. When you develop a complex type of problem, it is not restricted to injured workers where a difference of medical opinion may occur. Where this occurs, bear in mind that our medical staff take into account—and I wish to assure the committee of this—in every case all available medical information in the file.

Where there is still a difference of interpretation and opinion, again it is very common practice for the board physician to make contact with the treating physician or specialist and discuss the problem with him. In the vast majority of instances, any difference in interpretation is resolved. This is dependent upon

the source where you get your information. If you get your information from the patient, the patient may not be privy to this information. The patient may feel that the whole decision was based upon the examination carried out by the physician at the board's offices when he evaluated permanent impairment. If you get the information from the treating physician, in the vast majority of instances the information which you will get is, as I have detailed, namely, that there is agreement on the clinical findings.

There might be some difference of opinion on the degree of handicap. The reason for this is that doctors are not trained to evaluate handicap. There is nothing in the syllabus of training in any medical school that I am aware of which allows doctors to be trained in this. What the physicians in the medical branch at the board do—they are responsible for evaluating residual permanent impairment—is exactly that. The doctors are superbly qualified to evaluate residual permanent impairment. Sir Dennis Patterson from Australia, in his keynote address to the American Association of Orthopaedic Surgeons last year, made this very point and he made the point that doctors should and must accept responsibility for doing this.

When you go beyond impairment, a person who has impairment may or may not have an identifiable disability and, in turn, a person who has an identifiable disability may indeed have a handicap. A handicap is the degree of interference that the disability creates, interfering with that person's ability to compete in the work place and to earn his livelihood. I would submit that the doctors are not equipped to evaluate the socioeconomic impact of this and the physicians at the board do not do this, and they do not attempt to do this because it is totally inappropriate.

10:40 a.m.

Unfortunately, there are some physicians in practice who take it upon themselves and accept the responsibility of attempting to evaluate the socioeconomic impact and they are out of their field of expertise. Not infrequently I make the point to the physician that he has stepped beyond his scope of expertise and, by and large, the vast majority of physicians, when this point is made to them, accept the fact.

Coming back to our permanent disability evaluation, I would like to re-emphasize that we are highly dependent upon the material in the file from the family physician and from the specialist. Having said that, I also must admit that we do encounter problems in a rather

significant number of cases owing to such medical information not being supplied to us. In my opinion, doctors are becoming more and more reticent to supply good, sound, clinical data to the board so that we can use the information and their observations in the evaluation of permanent impairment. There are many reasons for this, I believe.

One of the reasons is that doctors are very frightened about the matter of confidentiality and access to information, and so are hospitals. We have encountered—Mr. Kerr is very well aware of this—considerable problems in obtaining medical reports and copies of medical reports from hospitals on Workmen's Compensation Board patients because the hospital administrators are also frightened. It has to be explained to them that we have the authority under the act to request and obtain such reports. Despite that, we continue to have problems in obtaining this data.

Not infrequently our medical staff will find they do not have a really good report from the attending physician, as peculiar as that may seem. The progress reports do not supply the type of clinical data which is of real value and in many instances we do not have operative reports, despite the fact that we clearly stipulate in our handbook to the physicians that we require them to supply us with all of these things such as operative reports, admission summaries to hospital, progress reports, discharge summaries and so on. This makes our work extremely difficult.

Often the medical staff, before the examination is carried out, make arrangements to obtain these reports, but also not infrequently, despite every effort we make, we still must approach the problem without having some rather important medical documentation in the file. Therefore, we become more dependent upon our medical findings.

That is not to say that it makes the examination invalid by any stretch of the imagination because the physicians on staff who do permanent impairment evaluation are very well equipped and very well trained and have extensive experience in evaluating residual clinical impairment. As I mentioned, this is their area of expertise and not the area of handicap or socioeconomic disadvantage.

Several years ago this very question did come up in the select committee on the Ombudsman. It is recorded in the minutes of the select committee that in the opinion of that committee the board physicians who carry out this type of

examination are better trained and better equipped to evaluate the residual permanent impairment than the average physician who is treating the patient following his injury. This is, I think, a very acceptable and accurate observation on the part of the select committee, for the vast majority of outside physicians are not equipped to carry out this type of work.

The comments made by Mr. McClellan relative to the rating schedule used by the board physicians are tied in with that. The rating schedule is a guideline, and I emphasize that. The percentile application, and the most visible parts of it in the guidelines are the levels of amputation, have been developed over hundreds of years. The initial guidelines were developed by military surgeons who had to estimate for their commanding officers the ability of soldiers to return to the battlefield.

Medicine has always had to apply a percentile factor not only to impairment but also many other things. For instance, a doctor must arrive at a percentile figure that his patient will stand a 50 per cent chance of being alive five years following surgery to her breast for cancer. We use percentile identification in many areas of medicine because this is one way we can communicate information to and from physicians and it is one way to establish consistency and uniformity. Some years ago, following extensive deliberations on the matter, the American Medical Association developed a large book entitled, *Evaluation of Permanent Impairment*. They made it quite clear that from the medical standpoint the only logical way to approach this was to express the degree of residual clinical impairment in a percentile manner.

About 15 years ago, the American Association of Orthopaedic Surgeons—the largest group of orthopaedic surgeons in the world; their membership currently stands at approximately 14,000—decided they too had to approach this problem because they were involved in considerable amounts of medical-legal work in view of their particular specialty in orthopaedic surgery and the high prevalence of motor vehicle accidents in the United States and Canada. Some of the members of the American association are Canadian. In fact, the majority of Canadian orthopaedic surgeons belong to the parent American association.

They developed a schedule and published it for the use of their entire membership. Again they had to resort to a percentile type of evaluation, but they stressed the fact that this merely represented an evaluation of the degree

of residual impairment the person had following maximal recovery from his or her injury and did not in any way relate to possible disability or possible handicap relative to the socioeconomic aspects.

Mr. McClellan mentioned that an individual may not be fluent in English and may not be capable of writing and communicating in his native language. He referred to a person's level of education, his age and the type of work he has been trained to do. All of these factors must be taken into account in the ultimate consideration of the socioeconomic aspect. This is not the responsibility of our medical staff.

This aspect is handled by Mr. McDonald's claims pensions adjudication staff, who discuss the case in each and every instance with one of my doctors who has done the examination. They arrive at the reasons why the doctor has determined that there is or is not an impairment and why it is expressed as a certain percentile. Following that, the claims pensions adjudicator discusses the case with the worker and takes into consideration those socioeconomic factors. As a result of that, he may take such steps as may be necessary to increase the level of the dollar pension which he develops. The doctor does not develop the dollar pension. The dollar pension that the claims pensions adjudication personnel develop is taken into consideration as it relates to the socioeconomic aspect in the cases.

I hope I have answered any concerns you might have had. I can assure you that wherever possible we do communicate with the treating physicians because we feel it is extremely important that they understand what we are attempting. What we are attempting to do is to ensure that the injured worker receives the best possible medical care by the correct person at the right moment in time with the result, we hope, of the full recovery of that individual and his or her return to the work force and to general society. If that is not possible and if the person is left with some residual permanent impairment, then we want to be sure that we evaluate it as accurately and as consistently as we possibly can using all sources of input.

10:50 a.m.

Mr. MacQuarrie: Mr. Chairman, from my experience both before being elected to the assembly and since, in dealing with problems of constituents that relate to the Workmen's Compensation Board there seem to be two grey areas in adjudicating or assessing claims. One centres on cardiac conditions, where the board some-

times alleges a pre-existing condition that might or might not have been aggravated in the course of employment. In that connection there are also heart attacks on the job and that sort of thing.

The other area that troubles me is back problems, particularly the lower back and lumbar problems, whether they are disc problems or degeneration of some form or another that they allege is related directly to their employment, although definite causes are almost impossible to pinpoint. I just wonder how the board adjudicates that type of claim, because there are about three or four outstanding in my constituency office.

Dr. McCracken: Mr. MacQuarrie, so far as the adjudication is concerned, Mr. McDonald can certainly answer that. He could detail what his staff do in these two types of claims and then I could respond as to the role and responsibility of the medical services division, if you would like.

Mr. MacQuarrie: Fine.

Mr. J. F. McDonald: A comparatively small number of cardiac claims is reported to us and we do follow a prescribed procedure. In each and every instance of a cardiac claim a field investigation is carried out. We attempt to ascertain what the man's total history was and what was he doing actually at the time of the onset of the disability. All that information is obtained with medical guidance. We co-ordinate our request for information and then when that information is obtained it is referred to our medical staff for consideration as to the relationship. It may be that our own medical people will feel that a further, more senior opinion is obtained, and we would refer to a cardiologist to obtain that opinion.

Back claims are the majority of our lost-time claims. Approximately 25 per cent of the claims that are reported to us fall into that category.

Hon. Mr. Alexander: Lost time?

Mr. J. F. McDonald: Yes, that is correct. Depending upon the circumstances reported to us, we would attempt to establish the wait involved, if anything is being lifted. Was there any unusual occurrence? Did the man slip or twist? Was he in an awkward position? The number that require actual field investigation in this area is not great, but if we have any concerns about the nature of the disability and the possible relationship of the disability to the circumstances reported, we would seek guidance from our medical people and ask for their

opinion. Again, it may be necessary to seek an outside opinion.

Mr. MacQuarrie: In your hospital and rehabilitation centre do you ever bring many of these back cases in for retraining or for assessment?

Mr. J. F. McDonald: I cannot tell you the percentage of claims that are referred to our hospital and rehabilitation centre; I am sure Dr. McCracken can. In each instance we provide to the attending physician a progress report that includes a column asking them whether or not they feel treatment at our hospital and rehabilitation centre would be of assistance. We are guided by the man's own physician, and if we have concerns that the disability is becoming prolonged, we could bring him in for an assessment by one of our own people and admission to our hospital for treatment in that area.

Dr. McCracken, perhaps you could comment on that.

Dr. McCracken: Mr. MacQuarrie, just to carry on with the back problem for a moment, and indeed it is a problem, I am sure that compensation boards throughout the western world have known for many years that backs do tend to create real problems in resolving the injury and treating the disease and in returning the worker to gainful employment and to his home environment.

In 1975 I set up a special computer-run program so we could identify the magnitude of the problem in the medical services division. This enhanced other statistical programs that were being operated at the board. We did identify the fact that consistently between 23 and 24 per cent of lost-time injuries are identified as back injuries. In other words, one in four lost-time injuries will be a back injury; so it is a very significant problem.

With regard to the role of the medical services division in the handling of back injury cases, a large percentage of people with back injuries, fortunately, no matter what is done with them by way of treatment—and some people have said despite what is done with them by way of medical treatment—tend to recover and return to work. The figure that we have is that 90 per cent of these cases will recover and will return to work in eight to 12 weeks.

Mr. MacQuarrie: In the same capacity as the had been working before?

Dr. McCracken: Yes, in the same capacity. Now that leaves us with a small percentage—when you are dealing with large numbers it is a

large number of people—but a significant number of people who do not return to work, whose disability does continue. These are the people whom the medical staff at the board become involved with. Certainly if a disability goes beyond 13 weeks, which is one of the main checkpoints in these cases with the claims services division, these cases are brought to the attention of our medical staff.

On the basis of the information on file, a decision is made as to whether or not the course of the condition is positive. If the course of the condition is not positive or if we do not have adequate medical information in the file from the treating doctor, then we make contact with the treating doctor to get an update. Usually we like to do that by telephone, although it is difficult to get through to some doctors because of their busy office schedules, but this is what we like to do. In effect, we carry out a consultation with the doctor on the case to determine, for our part, what the problem may or may not be, and again, to offer suggestions to the treating doctor as to what he might consider doing to speed up the treatment process and the recovery phase.

Despite that, there are some cases that will not and do not respond to the usual types of treatment—be it medical treatment, chiropractic manipulation, physiotherapy, bed rest or admission to hospital—and a rather significant number of these cases will ultimately be admitted to our hospital and rehabilitation centre. Last year we admitted more than 11,000 patients to the hospital and rehabilitation centre.

To place it in perspective, I think I should give you what I call the distillation effect of backs. If you look at all injuries reported to the board in a given time period, such as in a given year, which include the no-lost-time and the lost-time injuries, you find that approximately 14 per cent of all the injuries will be backs. The first distillation level is that when you then take a look at those cases that are disabled from their work, the percentage I have mentioned immediately takes a significant jump to 23 or 24 per cent.

By the time we get around to the cases that despite everything that has been done by the local physician, chiropractor or surgeon and by the local physiotherapy rehabilitation facilities, and the decision is made—incidentally, it is made in 50 per cent of the cases by the treating physician that the patient should be admitted to our hospital and rehabilitation centre—we find that out of the 11,500 patients, consistently year

in, year out 45 to 50 per cent of our cases at the hospital are back disability cases.

11 a.m.

In other words, these are the cases that are very hard to resolve and these are the cases that come to the hospital for a review and an assessment to see if there is something that can still be done that will reverse the problem that has been encountered. If something cannot be done, then we must look at other alternatives.

Incidentally, I would like to extend an invitation to the members of the committee to visit the hospital whenever they have opportunity. If you would telephone myself or our communications division, we will be most happy to have you visit the hospital because we think we have a very good operation going out there. People outside Ontario think we have too because last year we had over 500 visitors to the hospital seeking information as to how we operate the hospital. These visitors came from not only Canada but from the United States, Australia, New Zealand, Japan, the UK and continental Europe.

Mr. MacQuarrie: Do you carry out any surgery?

Dr. McCracken: No, we do not do any surgery at the hospital and rehabilitation centre. It is purely a rehabilitation facility. If we identify a case where surgery may be of assistance and we can reasonably assure the surgeon of that, then the case is referred back to the treating surgeon so that he may then proceed with the treatment.

Having said that 45 to 50 per cent of our cases that are admitted are due to back disabilities, another very important statistic from the hospital is that 95 per cent of all the patients admitted to our hospital and rehabilitation centre are admitted because they have varying degrees of crippling pain. We are really treating pain at our hospital, which again makes us rather unique.

We are addressing the reasons for the pain, and the reasons for the pain, be it a back case or anything else, can be from multiple sources. It can be residual tissue damage; it can be a piece of disc material that, following surgery, has been missed by the surgeon and is still giving rise to problems; it can be residual scarring in the spinal canal, either as the result of the investigative X-ray or the surgery; it can be due to the fact that all the tissue components have healed but the person has developed a pain syndrome.

This used to be labelled as "it is all in your head." Quite naturally, by labelling this type of chronic pain that way, nobody really endeared

himself to the patient or anyone else because the patient immediately responded by saying, "Doctor, I must disagree with you because I am not crazy," and indeed the patients are not crazy. We do not use such terminology any more but it is a cortical, a brain cortex type of pain. This is now well documented in the scientific literature.

Mr. McClellan: Do you treat this as a compensable condition?

Dr. McCracken: Yes.

Mr. McClellan: What do you call it?

Dr. McCracken: Where the chronic pain, the cortical pain, flows from the compensable injury, this is psychotraumatic pain and it is part and parcel of the evaluation for permanent disability.

Mr. McClellan: How does somebody get a diagnosis of psychotraumatic pain?

Dr. McCracken: The diagnosis is arrived at by the treating physician who very often can come to a pretty realistic appraisal. It may be confirmed by psychological assessment primarily. The psychiatrists are very limited in how much they can really help us in this and they admit that they are limited because this is really not their ball game. It is in the field of psychological assessment, psychological evaluation where we arrive at those diagnoses, and this is why we have a significant psychological service out at the hospital to ensure that we do evaluate these components as accurately as we possibly can.

Mr. McClellan: All the cases I have had, most of the cases we get in my constituency and the kind of cases that Mr. MacQuarrie is talking about are those with low back injuries and a pain condition. I have never in my experience over the course of the last seven years found that the board responded to the phenomenon of pain per se. You have to prove that it is organically caused or that it is a post-traumatic neurotic condition, classified as such by a psychiatrist. You have those two choices.

Our appeals revolve around whether it is organic, and if it is organic, what it is specifically. Is it nerve root, etc.? Or is it a post-traumatic psychiatric condition? If there is any ambiguity in the psychiatric diagnosis, you are down the drain. If I understand what you are saying, you seem to be talking about a third diagnostic condition that acknowledges what I think is a reality, that some people are just in excruciating pain. Yet my experience has been that the board does not recognize that pain condition unless it is able to slot it into one of those other two boxes

that are traditional boxes. Am I confused and mistaken or missing something here?

Dr. McCracken: I am not prepared to say whether you are confused or mistaken.

Mr. McClellan: One or the other, though.

Dr. McCracken: I can assure you that we do take into consideration the psychotraumatic disability.

Mr. McClellan: In a way different to what I have described?

Dr. McCracken: No, I think the way you have described it is indeed fairly representative in that identification is made that there is some component which is giving rise to continuing disability, in the form of pain usually, over, above and beyond the time in which it would appear the original tissue injury had healed. Once that has been determined, then what we must determine is whether or not it is related to the original compensable injury.

Mr. McClellan: But I am not talking about what we usually refer to as functional overlay. Are you?

Dr. McCracken: Again, that is an obsolete term, just as obsolete as "it is all in your head." Functional overlay really does not mean anything so far as I am concerned and certainly it is not in use in current medical literature because it really does not identify what the problem is. The way that it is identified in today's scientific community is by the term "nociceptive," which is the term to indicate that there is an organic component, namely, that something has not fully healed or there is some residual pathology that is causing the pain. That is an organic-based pain which can be treated in the usual drugs and possibly by surgery.

Mr. McClellan: The problem for me is trying to understand how you treat pain for compensation purposes when no organic cause is diagnosed. I do not want to prolong the discussion. It may be helpful if the board could provide to members of the committee a current statement of policy that incorporates the kind of thing Dr. McCracken was talking about today and perhaps elaborates a little bit on the ways and the criteria the board uses to adjudicate problems that come within the rubric of pain.

Dr. McCracken: That would be no problem, Mr. McClellan. What I was going to say was that the board has approved guidelines for the evaluation and identification of psychotraumatic disability. I am sure the secretary of the board would be very happy to ensure that the mem-

bers of the committee get copies of these guidelines. The guidelines are pretty well self-explanatory.

11:10 a.m.

Mr. McClellan: They seem to be except when I hear what you are starting to say today. Then I come to the conclusion that I do not understand the guidelines.

Dr. McCracken: The other thing I might say is that in 1981 we did identify and we did take into consideration 353 cases relative to psychotraumatic disability.

Mr. Williams: You have research going on in the application of what you call your transcutaneous electrical nerve stimulator units and their effectiveness in treating low back pain. How significant is this research in relation to the very thing we are talking about here? I presume that is an integral part of your attempts to refine this whole process and get a better analysis of the problem.

Dr. McCracken: It is an integrated part and it is very important. I was going to mention our alternative methods of treatment. That is one of the alternative methods of treatment.

Mr. Williams: How does that work exactly?

Dr. McCracken: First of all, let me say we have developed an extreme concern and fear at the board relative to the chronic use of certain pain-controlling drugs. As you are undoubtedly aware, many of these drugs are being sold on the street as street drugs because of their potency, drugs such as Percodan, Valium and so forth. For people who are taking these drugs who have chronic pain, where the organic component has disappeared, you can rest assured that these drugs will never help them. All they will do is that they will make some of these people dependent, maybe even addicted, to those drugs.

We think it is extremely important to get these people away from these chemicals. One of the ways we have been attempting to do so is by using the transcutaneous electrical nerve stimulator. We have had a research project running at the hospital for three years. It is a unit that generates an electric pulse. You can control the wave shape of the pulse; you can control the frequency of the pulse; you can control the intensity of the pulse. They run out through wires to little electrodes that are placed on the skin of the patient at what we call trigger points. Some people ask if they are the same points that the Chinese use in acupuncture. We have satisfied ourselves that they are not. Some of them coincide, but they are essentially the

points where the nerve that activates a muscle enters the muscle and starts to spread the various segments of the nerve throughout the muscle. That is a trigger point.

Since we started this treatment, we have now issued over 2,600 of these units. They are like a small pocket radio. The person who is equipped with one takes it home when he leaves the hospital and uses it whenever he feels he needs to when the pain is starting to mount.

We carry out tests on back cases as well as major amputation cases or shoulder injuries, anywhere where it can be applied. We make a determination whether or not the unit will work for that particular patient. It does not work in 100 per cent of the cases, but we have found that it works for a significant number of the cases. The question is: how long does it work and how well does it work? This is what we are in the process of evaluating now.

The interesting thing is that in the case of these people who take these units home with them, we now know they cut down significantly on the number of drugs they are taking. Some of them have cut out the drug intake completely, which we are absolutely enthralled about and think is tremendous.

Our preliminary evaluation has shown that one third of these people have returned to work. When these people came to us, they had been off work for an average of 1.7 years. Some of them have been off work for as long as eight to 10 years. We think it is pretty significant that one third are able to return to employment.

At a coffee break or a lunch break they will use this TENS unit if their pain is starting to mount and that makes the difference between them being able to finish out the shift and go home or having to stop work. Even if another hand is not working, they will not give back the TENS unit because they say it makes life worth living.

Mr. Williams: Do they just activate the unit when they feel pain coming on?

Dr. McCracken: That is correct. They know the spots on which to put these little electrodes. They go into the restroom, put the electrodes on their back and activate the unit for five minutes. Some of them have to use it for 20 minutes.

No one is actually certain what it does, but there are two basic researchers—Canadians, incidentally—Melzak and Wall, who started all this and were world leaders in it. They are convinced that by doing this we superimpose his electrical stimulation on the nerve, which then takes this impulse to the brain and blocks

the chronic pain, which the brain is interpreting the person has in his back or her arm or whatever. It blocks it for varying periods of time.

The interesting thing is that Professor Harold Kalant with the Addiction Research Foundation is vitally interested in substances called endorphins. These endorphins are a natural morphine type of substances we now know the body makes to protect all of us against pain, because we are subjected to varying levels of irritation throughout every day of our lives, be it from noise, heat, the clothing we wear and so forth. We now know that people who have chronic pain experience a change or depletion of the endorphins.

We also know that more than 150 of the cases in the group we are studying have returned the TENS units to us. The reason they have returned them to us is very interesting. They say, "Doctor, we do not need it any more." We believe that their bodies have had the opportunity to once again build up the normal level of these endorphins so their bodies now are able to control the pain. That is one area of investigation and treatment we are working on.

Another area of investigation is biofeedback, which I discussed at the committee here in June. Biofeedback is used to train a person. Certain people have the ability to learn to control certain bodily functions, including the level of pain. We are investigating that and we are meeting with rather significant success there.

We are investigating all these various areas. Over and above that, we have now been operating a back education program at the hospital for over three years and a large number of our patients have gone through this program. What the program is all about is to take the fear out of back pain for these individuals. It is amazing the number of people we get out at the hospital who, when we put them on this program, say, "You know, in all the time I have been disabled, my doctor never sat down and explained to me exactly what was wrong with my back."

This is exactly what we do. We tell them: "This is your back and this is what we believe you have done to your back. This is where you are now. You do have residual pain and we are going to tell you the things you can do and cannot do. Even though the pain might get worse, we want to reassure you that you are not damaging your back any further by doing these things." This means a lot to these people.

As some of you may know, we have met with such success in this program that we have now

expanded this. The board has developed an industrial back education program. We have a team of professionals in conjunction with the communications division. We have offered this program out to industry. Up to the present time, we have presented it to more than 8,000 workers throughout the province. I agree that when we are looking at a work force of 3.5 million to 3.75 million we have just scratched the surface. But we also have developed a plan to try and bring this program to a very significant number of the work force because it has been exceptionally well received by the workers. Management is very enthusiastic about it and we think we have something going here.

11:20 a.m.

Mr. Williams: Is that all part of the program "for early identification of lumbar disability," your FEILD project, as you call it?

Dr. McCracken: That is correct.

Mr. MacQuarrie: I wonder if I could pursue the initial question I had raised. Dr. McCracken, you did indicate the percentage of eligible injuries that were related to the back. What I would like to find out, if I could, is the percentage of claims denied that were related to the back and back injuries. Would it be in the same proportions?

Dr. McCracken: We have been able to analyse that and the figure indeed reflects the across-the-board rejection rates. It is running at about six per cent. Of all the back cases we see, again approximately six per cent of them are not accepted, and that is pretty well constant for other injuries as well.

Mr. MacQuarrie: We had two figures you passed out earlier. You mentioned distillation along the way. We had 14 per cent being distilled to 23 to 24 per cent. That is for injuries that you recognize as being job related and eligible. On the other hand, how does the six per cent that you refer to distill out, if it distills out?

Dr. McCracken: We do not know because we do not set up claims on them. At least, if we do we don't—

Mr. MacQuarrie: How many applications or claims would be filed relating to back injuries that would be turned down as ineligible?

Dr. McCracken: The numbers?

Mr. MacQuarrie: Yes. I might be asking a very—

Dr. McCracken: I have not got the numbers for 1981.

Mr. MacQuarrie: I can appreciate that you do not have the actual numbers there.

Interjection.

Dr. McCracken: This is my walking filing cabinet.

In 1980, for instance, there were 22,140 no-lost-time back injuries, there were 37,980 lost-time back injuries and there were 8,475 which either were rejected or whose status was pending at the end of that year. That works out to about six or 6.5 per cent.

Mr. MacQuarrie: In the situations I have encountered these are the grey areas where the constituent involved undoubtedly does have a back problem which he suggests has been either incurred or aggravated at work, yet when the claim goes in it is denied. I just wonder what number of cases there are in this sort of grey area.

Dr. McCracken: I do not have the figures for that and I do not know whether Mr. McDonald would have or not. What you are talking about are the ones where the claim is denied in a situation where there is a pre-existing back problem. I must confess that I do not have those figures.

Mr. MacQuarrie: It might relate back to a high school injury while playing football or something.

Dr. McCracken: Yes, they would be included in that six per cent group.

Mr. MacQuarrie: Thank you. I had some other questions on the financial statement.

The Vice-Chairman: I am sorry that I had to be absent for a few minutes. I am not quite sure where we are. When I left Mr. MacQuarrie was questioning Dr. McCracken. I have a list of speakers here and I do not know whether this list necessarily applies to Dr. McCracken. Ms. Fish, Mr. Koly, Mr. McClellan and Mr. Sweeney are on my list.

Mr. Sweeney: Mine is a supplementary.

Mr. McClellan: They are all supplementaries.

Interjection: Mr. Chairman, can we have some order?

The Vice-Chairman: I am trying to.

Mr. McClellan: I know.

The Vice-Chairman: Maybe Mr. Sweeney could put his question to Dr. McCracken and then to the minister, and we can deal with this particular area right now.

Hon. Mr. Alexander: Mr. Chairman, I think Mr. MacQuarrie had indicated in this discuss

sion—and this is my interest—that there are three or four back cases of long standing. I do not know what you mean by that, but if you will call my office and give the name and the claim number we could certainly look into it, see just what the status is and report back to you.

Mr. MacQuarrie: Will you do that yourself?

Hon. Mr. Alexander: I will not say I will do it myself, but it will be done, that is one thing about it.

The Vice-Chairman: Is that helpful, Mr. MacQuarrie?

Mr. MacQuarrie: Very.

Mr. Sweeney: Mr. Chairman, my question ties in directly with almost the last statement Dr. McCracken made. It concerns those situations where we take a constituent to one of the appeal levels and are finally told that there is a pre-existing disc degeneration and therefore there is nothing our constituent can do. Yet consistently, at least in my experience, the constituent has lived quite comfortably and has worked with quite comfortably with whatever that pre-existing condition was, and it was only after the accident that he was no longer able to do it. The argument I find very frustrating is that a man who has a work history of 15 or 20 years with no problem has an accident, and there is no doubt about the fact there is an accident, but in terms of the continuing back disability and the continuing disability in terms of working it is denied.

Somewhere along the line the board is going to have to accept the concept that a person can live his whole life—and I suspect there are many like that out there—with this kind of pre-existing condition, which an accident at work triggers to the point where it is no longer livable. Yet we seem to continue to lose these kinds of cases, carrying them through all the various appeal levels. I would have to say that seven out of 10 of the cases that I have lost over the years are of that nature and we just do not know where else to go.

Coming back to the question about medical opinion, we get the local doctors, whether specialists or generalists, who will say: "Yes, there is some evidence that there was an existing problem there, but this man has managed to live with it and he has managed to cope with it"—or she, as the case may be. "He can no longer do so, and the only reason he can no longer do so is because of that accident." Yet we continue to lose those cases. How do you deal with that?

Dr. McCracken: Mr. Sweeney, I cannot speak about the specific cases, as you can appreciate, because I would have to look at these specific cases and evaluate them. Back cases are one of the most complex disabilities that we encounter and that people develop. It is now appreciated that back disability is extremely complex.

One important factor in the matter of pre-existing disc degeneration—and I believe this is what you are talking about, where a person has a pre-existing condition—is that you have to make a distinction. A person may have a pre-existing condition with no disability or he may have a pre-existing condition with a disability, and this is of some import.

The pre-existing condition with no disability is a situation where the person may have arthritis, for instance, and outside of the odd ache or pain they have never been crippled and put to bed with it. The example of the pre-existing condition with pre-existing disability is where they have had a very significant flare-up of their arthritis that has required medical treatment, time away from work, maybe admission to hospital and so on. Those two factors must be taken into consideration.

The other factor is continuity of symptoms. In the case of a person who has a pre-existing disc degeneration who injures his back and develops back pain, that injury and pain may either be due to damage inflicted on that disc as a result of the injury or it may be due to a soft tissue, muscle ligamental type of injury which has nothing to do with that degenerated disc whatsoever. This is what makes the problem so complex.

11:30 a.m.

In the situation, irrespective of whether it is disc or soft tissue, the person may have continuity of symptoms. Before the accident they might have had the odd attack of lumbago, which is the old term; and I would draw to your attention that 95 per cent of people over the age of 35 have had an attack of back pain at some time in their lives. They might not have been disabled with it, but they have had an attack of back pain. It is a very prevalent type of condition.

In the case that you bring forward, the person has maybe had the odd attack of back pain but has never been disabled in his or her work. They injure their back and thereafter have continuity of symptoms. They have to continue to seek medical attention periodically; they have to continue to take some medication when they get an acute flareup of it; and then, with or without something happening, they become

much worse. In a situation like that, the cause-effect relationship from a medical standpoint is pretty clear. These cases, by and large, do not cause us any trouble at all.

The case which is troublesome is the hypothetical case of the man or woman who has degenerative disc disease. They may have had attacks of backache in the past which might not have been crippling. They injure their back, they recover from that injury, they return to work and at a later date they become crippled with acute back without a new injury, and an investigation shows that they have a ruptured disc.

The initial injury had been determined as being damage to the muscle ligamentive system. That is all gone, recovered and healed. Just because you have had a back injury and have injured your muscle ligamentive system does not endow any particular protection to you against having a spontaneous rupture of a lumbar disc at a later date, having absolutely nothing to do with the compensable injury.

These are the cases that become very difficult to evaluate and they become very difficult to explain to the person because the individual will say: "I hurt my back at work three years ago and now I am all crippled up with back pain. It seems to me that the injury at work is the cause of this." This is not necessarily so. Each case must be evaluated on an individual basis.

Mr. Sweeney: It just seems to me, Dr. McCracken and Mr. Chairman, that in too high a percentage of cases the board takes the position that the current injury has nothing to do with the previous one and that the current injury, or current damage as the case may be, would have happened anyway. That is basically what I am told at the appeal hearings, to prove or to put a foundation on the fact that the board is not responsible for this particular situation right now. Yet when I talk to employers where these people are working and ask for some sort of record of how many people "spontaneously come down with back problems in your plant," there are very few. It is almost nonexistent.

The cases I am describing to you are those where, as you say, there is a thin line. Basically the question we are asking ourselves is, would it have happened anyway, or has there been some kind of a triggering mechanism there which has weakened the whole thing and that has caused something to happen later on which would not have happened otherwise? That is the difficult one, and it happens all too often.

I can well understand it if there is a previous

history of problems, but here I am describing to you cases where there is no previous history whatsoever. You just finished saying that the majority probably walk around with some kind of back difficulty but they live with it.

Dr. McCracken: Mr. Sweeney, in response to the questions you have raised, I can appreciate that in certain plants they might be totally unaware of back disability occurring outside of employment. In all probability, even with an insurance plan management would not be privy to the diagnosis, nor should they be privy to the diagnosis, of the problem that is keeping the person away from work. They do not need to know that, and we make this point very clear, be it compensation or otherwise.

Studies have been done which show that 70 per cent of back disability arises outside of the work environment. Over and above that, studies have also shown that more than 55 per cent of back disability is spontaneous in onset. In other words, people are injuring their backs at home, in the garden, water-skiing and so on. Some people attempt to get out of bed and fall flat on their face on the floor because they have come down with an acute back spasm, spontaneous in nature, which is totally unrelated to activity in the work place or activity in recreation. It is just a scientific fact that that does occur.

With regard to your experience, you are dealing with a very specialized group of cases, as you can appreciate. We have been monitoring reopened claims and maintaining statistics. The program planning and statistical services have been doing this for claims, for medical services and vocational rehabilitation. So far as backs are concerned, the figure I recollect just off the top of my head is that in 1981 we had over 6,000 reopened back claims. This is more than twice the total number of cases that have gone through the appeal system in the same interval of time. In other words, my response would be that, indeed, we are recognizing these, we are accepting them and we are reopening the claims in a very significant number of cases.

Mr. Sweeney: Given the numbers you are quoting here, is any research going on in the board to try to determine whether or not the pre-existing degeneration can be triggered by an accident to an extent greater than what it would have otherwise been?

Dr. McCracken: Yes, we have had a number of research projects going on over the past six years. First of all, we looked at those persons who had to undergo surgery to their back. Part

of the look-see there was to determine the degree of pre-existing arthritis or degenerative disease. We have looked at those cases where the outside surgeons have recommended a second operation and we have looked at that same factor there. We have looked at cases before they have had their first operation; that manuscript is in the process of being developed and is to be subjected to peer review and published in a reputable scientific journal. The previous ones have already been published.

We currently have a research project under way out at the hospital called FEILD, which is the acronym of "for early identification of lumbar disability." One of the things we are looking at is the percentage of these cases which show X-ray evidence of pre-existing degeneration, be it arthritis, narrowing of the disc space, or whatever. Part of the history we take from these patients, and for that matter from all the patients coming into the hospital, is their past history of any back disabilities they might have had, be it in employment or out of employment.

We are very much aware of this problem. Indeed, pre-existing degenerative disease plays a very significant role in a ruptured lumbar disc. Professor Ian MacNab, who is one of the three recognized giants in orthopaedic surgery in the world today, has made the statement—and I concur with the statement totally—that it is impossible for a person to get a ruptured disc if they do not have pre-existing degeneration.

Hon. Mr. Ramsay: I am not sure it is appropriate for me to be asking a supplementary, so I will be very brief. Just to go back, Dr. McCracken, you were referring to the various methods of relief of pain from back injuries. It seems to me that an increasing number of people are obtaining relief from back injuries by acupuncture, yet I understand that the board does not recognize acupuncture as a treatment. Is that correct?

Dr. McCracken: That is not exactly correct. I am trying to remember when the interest peaked; it was shortly after the medical group came back from China and expressed interest in acupuncture, which I believe was in 1976. We set up a project at that time and we evaluated the use of acupuncture in low back disability. The results of the study were extremely disappointing because we did not obtain results with that particular type of injury.

1:40 a.m.

The acupuncturists told us that we chose the toughest type of case, and, indeed, we did that on purpose because we wanted to subject it to

the acid test, if you will. They suggested that we should allow them to treat the early acute cases and, similarly, the early acute sprains and strains in ankles, shoulders, elbows and wrists. Our response was it would be very difficult and would require thousands of cases before it would be statistically significant in determining whether or not there was an identifiable effect since in those types of injuries we know the vast majority will recover irrespective of what is or is not done.

There is also what is known as the placebo effect. If you give someone a capsule which has sugar or some other nonpharmaceutical substance in it, you will get a response to any type of symptom in a rather significant number of patients. This is well recognized. So one would expect that in a certain number of cases the very fact that a person was given acupuncture would effect a transient improvement. That effect was identified because we saw transient improvement from acupuncture, but it was very transient indeed.

We still accept acupuncture, but it is only accepted when applied by those people who have the qualifications and training to administer acupuncture and who are associated with a reputable and recognized pain clinic. The pain clinic must be in a position that it can render not only acupuncture treatment but also a wide range of other types of treatment to address pain, such as nerve blocks by an anaesthetist, evaluation of pain by a neurologist and assessment by a psychologist. Acupuncture tends to be carried out by a significant number of anaesthetists, but there are other people who are trained in it. It is part of the overall pain clinic package and we do accept it.

Hon. Mr. Ramsay: Where does one find that outside of Toronto?

Dr. McCracken: There are many pain clinics throughout the province now. In so far as your riding of Sault Ste. Marie goes, I really cannot speak to that; I am not aware whether a pain clinic is operational there or not. They are usually operational in hospital environments. There has been a pain clinic operation in Thunder Bay that I am aware of, and there are pain clinics in Ottawa, Kingston, London, Hamilton.

Hon. Mr. Ramsay: Sudbury always gets things ahead of the Sault. I was wondering if there is one there.

Dr. McCracken: I did not mention Sudbury because I do not think there is one there.

Mr. Martel: It is the representation.

The Vice-Chairman: Thank you very much, Dr. McCracken.

We have reached the end of the board chairman's comments on Mr. McClellan's opening remarks. I have a list of speakers who wish to make general comments, starting with Ms. Fish.

Ms. Fish: Thank you very much. I have a series of things which I will pose as questions, put them on the table, and perhaps if there is an opportunity, we will come back to them. I do not want to take too much time since I am aware that other people would like to speak as well.

My first area of interest is something which was touched upon last June when we dealt with the 1979 report in the standing committee on social development. That was the question of reimbursement for child care costs when single parents are involved in travel, or when a spouse is required to accompany the injured worker and there are preschool children at home who need some watching, or if there is an overnight trip involved they might be quite a bit older than that.

As I reviewed Hansard from June, I was reminded that in the chairman's view making such reimbursements would likely involve an amendment to the act. The previous minister had undertaken to look into that in the course of his assessment about possible amendments to the act. I would simply draw that to your attention, Mr. Minister, and ask that you review the current thinking in that regard and give consideration to introducing the necessary amendments so that we are not in a situation where often necessary and fundamental child care costs to enable the injured worker to travel, where that is necessary, would not be picked up and reimbursed.

Hon. Mr. Ramsay: I have taken note of that and will do so.

Ms. Fish: I appreciate that.

Mr. Williams: Why would that be restricted only to a single-parent situation?

Ms. Fish: It was not. I was simply pointing out that it is particularly difficult in the case of single parents, but I was also noting that it is not restricted to single parents. It might be a situation where, as I said, an injured worker may require his spouse to attend with him wherever it might be. We now cover travel, accommodation, meals and that kind of thing to enable people to get to wherever they have to go if

there is not the necessary service available there their municipality.

I wonder if I could then move into a couple other areas I do not think have been touched yet. I wanted to discuss ethnic services and interpreting services. There are a couple questions. The 1980 report indicates on page 23 and 24 that there was what I would suggest a fairly significant decline in the use of interpreting services at the appeal board level. I think was about 39 per cent if I read that page correctly. There was an overall reduction in the use of interpreting services of approximately 10 per cent. The paragraphs associated with the discussion do not indicate to me why that is the case. I would be interested in understanding why there was the reduction in interpreting services.

Mr. McClellan: What page are you on?

Ms. Fish: Pages 23 and 24. That is where I found it came across it. It is under linguistic services and it deals with language capabilities and interpreters. The noted decreases are on page 24. I think I am reading that correctly.

Hon. Mr. Alexander: As you have indicated on page 24, the overall work load for interpreting staff decreased by 12 per cent from 1,046 assignments to 926. We have the executive director for communications here and he would be able to enlighten us in this regard, Ms. Fish. But you carry on in any event and finish.

Ms. Fish: I am interested not only in the overall 12 per cent but also in the much more significant reduction of 39 per cent at the appeal board level.

There is another matter that was touched upon again in June in your opening remarks, Mr. Chairman, and under subsequent questioning about the addition in 1980 which is referenced in this report on page 47. It is the *Periodico d'Informazione* modelled after *Periodico d'Informazione*. I would be curious to understand whether there are other publications or equivalent documents that are made available to the public in languages other than Italian or the more newly introduced Portuguese in 1980. If there are not, why are there not, and what plans do you have for the future in that regard? I move then to a couple of other questions.

Mr. Williams: I wonder if we can get answers to them as we go along.

Ms. Fish: That is fine. I am happy.

Mr. Williams: Otherwise they may forget what the questions were.

11:50 a.m.

Hon. Mr. Alexander: I think you have answered our first question and I think it was directed to the minister in terms of the child care matter which we had indicated at that time, but the minister of the time and this minister understands that. With respect to the ethnic services, we will call on Mr. Farquharson to indicate what is going on with respect to the ethnic services. Then with respect to the publications in Italian and Portuguese, Ms. Fish, we have Mr. Gordon, head of our communications division who will be able to give you a status report in that regard.

Mr. Farquharson: For appeal board hearings and appeals adjudicator hearings we ask any worker coming before a hearing to express any need for interpreting services. The appeals will utilize on-staff interpreters where possible and where they have the capability of interpreting in the appeal board or an appeal adjudicator environment. Professional interpreters are what we use frequently. If we do not have those skills, we will utilize an independent court reporting firm; that has some reflection on the amount of interpreting service we use.

Ms. Fish: Can I just interrupt at that point just so that I understand the answer? I am just saying that what I am looking at is the 39 per cent reduction in the appeal board in interpreting services. You are talking about an external purchase of service.

Mr. Farquharson: In part. The other thing I was going to refer to, and it relates to the appeal board, is that appeal board hearings were down 39 per cent. To a major extent, that accounted for the reduction in the need for interpreting services. As I say, there is a difference. We found that increasingly we have been using professional interpreting firms for the purpose of the hearings just to ensure that we have the proper quality. We have found in some instances that parties coming to hearings feel a little more comfortable having an independent interpreting firm involved. We have utilized that increasingly in the appeals process.

Ms. Fish: Do you find the seven per cent differential between the decrease in the number of appeals and the 39 per cent decrease in the use of interpreter services as being significant? Is there an explanation for that differential?

Mr. Farquharson: To the best of my knowledge, that is the reason for it, just a decline in the amount of appeal board hearings. You will notice that it was up for the appeals adjudicators. We did hear a few more cases with the appeals adjudicators, but much of the interpreting

needs in the appeals process is met by outside agencies. Some of the interpreting may also be involved, not necessarily with hearings, but where there may be some explanation where we use interpreting services but it does not go on to a hearing. They could be included in the numbers. For instance, the person decides not to proceed with a hearing that day; yet the interpreting service might be utilized just in the way of a preamble or explanation to it.

Ms. Fish: I am having a little bit of difficulty coming to grips with the explanation because it seems to me that if there is increasing use of external interpreting services there is presumably a purchase of service arrangement and there is an expense sheet that is filed somewhere on that. I would not have expected that use to appear in the annual report as a decrease in the use of interpreter services. I would have expected a shift from staff use to external interpreter services for purposes of a linguistic services section to be interchangeable in the sense that one is looking at the number of instances where a worker has the need of some interpretation assistance.

I am a little bit unclear, having understood you to say that part of the decrease at the appeal board level is due to the decrease in appeals. There is a decrease beyond that, and I am not clear what the reason is. Is it because people are coming in with their own representatives who do the interpreting for them so there is no other interpreting that is needed, or what? I cannot quite get a handle on that.

Mr. Farquharson: I think you make an excellent point. What we have here is a claims services division providing interpreting needs to various areas, including appeals, whereas the appeals statement as such—and I think you raise a good point—does not talk about the amount of interpreting that went on at the various hearings. We do utilize an outside service on appeals and that is recorded in terms of how many hearings had various languages where interpreters were used.

I think it is probably a good point to make. In our next report on the appeals section, because of the interest—and you have certainly expressed it here—we will say how many interpreters were utilized in how many cases in a year, and that would include both inside and outside services. As you have noted now, we did not make any provision for outside services.

Ms. Fish: So these figures speak only to those who use the in-house service.

Mr. Farquharson: Yes. The claims services division here explains how it provides this service, including part of the appeals need, if I identify that correctly.

On the other question you raised about whether parties can bring their own interpreter, some do but we do rely on the professional interpreting services. If a party brings somebody along and would like him to sit and observe to make him feel more comfortable, we certainly allow that to happen, but we do have one official and professional interpreter.

12 noon

Mr. Williams: You have identified a bit of inconsistency, but the reason for it, I think, has been explained. The inconsistency on the front part of the statement on that indicates you are expanding your service, your multilingual staff component, as I understand it from the first part, to deal with other than the adjudication process. The day-to-day field operations, in fact, are involved in more of this service rather than less. At least, that is the way I am reading it from the annual report. Is that a fair comment?

Mr. Farquharson: Let me speak only in terms of appeals in that respect.

Mr. Williams: I am speaking of other than appeals, in general, but go ahead, touch on both if you will.

Mr. Farquharson: Perhaps I could just give one final comment about appeals to clear up this point. We respond to the needs of the individuals coming to a hearing and we ask specifically in our correspondence to the parties requesting the hearing do they require the services of an interpreter. In every case where they answer in the affirmative, we will engage the service, no matter what it is. Even if a party comes to the hearing and is not comfortable in the language, we will, at the last minute, make the best efforts to have the person comfortable in terms of having appropriate interpreting there. If it is up or down, it is just a response to the need because we will not proceed with a hearing unless there is adequate interpreting there.

Hon. Mr. Alexander: Ms. Fish, perhaps Mr. McDonald, who has a considerable amount of expertise in this area, could supplement what Mr. Farquharson has said.

Mr. J. F. McDonald: One of the comments I would make is that quite a few of our adjudication staff, the adjudicators themselves, are now fluent in other languages. They have brought that expertise with them to the board and they

will use their own language skills in talking with the client public and that would not be documented as an interpreting service.

The other thing is that the staff on the seven floor where our primary interpreting work is done, the reception area, are the ones who travel throughout the board to the adjudication hearings and so on to provide that service, but is in addition to their own regular work, and that work also has to be done. In the case of the other staff on the board who also provide interpreting service, again it is in addition to their normal work. Another reason why Mr. Farquharson has gone to more use of outside professional interpreters is the availability of the staff in part, but our actual use of interpreters in 1981 has increased slightly.

Ms. Fish: I wonder if it might be possible without too much effort to have at some time subsequent to these sessions, because I do not know that you can get the material together, information set out as you have here that would in effect include the external interpreting service and the incidents that you were discussing where adjudicators are speaking in other languages, if they are not picked up in the—

Mr. J. F. McDonald: We do not document them.

Ms. Fish: Those are not documented?

Mr. J. F. McDonald: Not at all. There is need to.

Ms. Fish: So what is documented is whether there is a purchase of service externally by interpreters.

Mr. J. F. McDonald: And that is in the appeals area solely. We do not purchase anything with the claims services division as an interpreting service; we use our own staff in that respect. Anything that is purchased is purchased in the appeals area.

Ms. Fish: Sorry. I understood the purchase of interpreting service was at the appeals level, was simply asking if without too much difficulty one could collect that additional information to adjust in the figures here.

Mr. J. F. McDonald: Yes.

Ms. Fish: I was also interested in the information that you were giving about the number of bilingual or multilingual staff who at the adjudicator level use languages other than English or French. I would be interested in knowing whether there is any way of assessing the trends in those areas, whether there is an increasing use or decreasing use, and which language groups

and coming forward with the greatest demand on your staff.

Mr. J. F. McDonald: The greatest demand is in the Italian language. I would suggest that in terms of percentage it is pretty close to 60 per cent in the Italian, French is second, and Spanish, Portuguese, Polish and Greek all run in about the six per cent level.

Hon. Mr. Alexander: I now have Mr. Haugh at the table. He is the executive director of the communications division and he would be able to assist you with respect to the multilingual publications. I think your question was how were we making out in this area and, if not, why not?

Mr. Haugh: You mentioned the two information papers that are going out in Portuguese and Italian. They are going out on a monthly basis to about 1,600 outlets at the present time. In addition to that, information pamphlets are available, making our claims available in five languages, Greek, Spanish, Italian, Portuguese and French, as well as English, and making appeals in those languages. The big yellow information poster, form 82, which is for the work place, is also available in those five languages, setting out the rights of the employer and the employee in case of an accident.

Our information pamphlet for admission to the hospital is available in Portuguese and Italian. Our back injuries pamphlets are available in Portuguese, English and Italian. I cannot give you the number of pamphlets that are available in English and French, but there are a high number in both of them.

In the printed word at the present time we are concentrating on Italian, followed by Portuguese, for the claimant public we are reaching. If we were to be asked what the next group might end up being, it would probably be Spanish that would be the language group with which we would have a communications problem.

Ms. Fish: It may be that in the answer to the other question about the use of third languages, had that information and it went past me too quickly, but I do not recall your mentioning Spanish as being the next highest, behind Italian and Portuguese.

Mr. J. F. McDonald: It depends on where you are approaching it because at the appeal board area, the appeals adjudicator area and the workmen's advisory area there are different percentages of use of other languages. I can provide you with a detailed breakdown of the

number of people who utilized language skills at the appeal board level, at the appeals adjudicator level and at the workmen's advisory. If you want those figures and percentages, I can certainly provide them; I have them here.

Ms. Fish: I do not think it is necessary to read them out; I do not know if others are interested in that information. I would be interested in having that.

Hon. Mr. Alexander: Since Mr. McDonald has indicated he could provide it, we will certainly send that information to the clerk for distribution to the members of the committee.

Ms. Fish: Just to go back to the discussion about the printed periodicals, you were estimating that perhaps if you went beyond Italian and Portuguese it might be Spanish, and that perhaps you were coming at the question from a slightly different perspective.

Mr. Haugh: I think we are. Obviously there has been an increase in the Spanish-speaking community in Ontario through South American immigration. That is not to say that we have a large number of Spanish-speaking claimants because it is a rather recent influx of the Spanish-speaking population. But we are getting a communications demand in terms of: "Will you tell us how the board works? Will you tell us how to file a claim?" and so on. From a communications point of view, it certainly becomes a priority for us to try to communicate with that growing community to prevent problems down the road. That is why I say, from the communications point of view, we can see the Spanish being a group we should be communicating with effectively as they grow.

Ms. Fish: Is it demand-responsive research you do, figuring out where you are going with the third-language community?

Mr. Haugh: It is also going to be based on seeing some increase in our client population in that language group. We have asked claims to watch for us to see if there is an increasing demand for Spanish within the board so that we can try to track it as it grows. There is a large Greek population in Toronto, but it has not developed a large demand for information from our communications group with regard to workmen's compensation information in Greek over and above what we do. We are tracking Spanish to see if it develops that kind of demand over and above what we would provide for any other language group.

Ms. Fish: Do you work with any of the other units of the government whose primary respon-

sibility focuses on customer service, in which work they would be identifying third-language demands?

Mr. Haugh: Studies have been done through the Ministry of Culture and Recreation in terms of what they are discovering through their Dialogue 81 programs. However, we are pretty proud of our ethnic services branch. We seem to be ahead of the game in a lot of areas in terms of reaching out in the ethnic areas. To a large extent we are assisting other people.

Ms. Fish: That is good news. In working together, you are suggesting you have broken some ground that you can then share with other ministries and improve them.

Mr. McClellan: I assume you are talking about Mr. Lofranco's operation among other things.

Mr. Haugh: Mr. Lofranco is now part of the communications division of the board.

Mr. McClellan: How many people are in his—I don't know what you call it—unit or division?

Mr. Haugh: It is a branch of the division. Within the ethnic services area there are 11 positions.

Mr. McClellan: Do each of those people do the same thing that Rocco Lofranco does?

Mr. Haugh: No.

Mr. McClellan: That is a mercy.

Mr. Haugh: There are a number of people who talk to claimants in their own language, be it Italian or Portuguese. What we are trying to do in the communications area is break down the cultural misunderstandings, if you like, of someone whose first language is from another culture who may be misunderstanding the system. He has not quite understood because he has come from a compensation system that is different from ours.

Mr. McClellan: I was at a meeting sponsored by a number of injured workers' advocacy groups to discuss the white paper. I have forgotten when it was; it was six or seven months ago—last summer actually. They had guest speakers and a plenary session and then they broke into workshops. All of a sudden they discovered a member of your staff in one of the workshops arguing against the organizations that had called the conference together. He had to be thrown out. Is that part of the terms of reference of your staff?

Mr. Haugh: You will find that there were a number of conferences organized last year, a

number of which my staff were invited to or other members of the staff of the Workmen's Compensation Board were invited to. The gentleman you are referring to is José Barreiro. He is Portuguese.

Mr. McClellan: He had not been invited.

Mr. Haugh: No, he had not probably in that case. He may not have been invited to the meeting.

Mr. McClellan: He had to be thrown out of the meeting.

Mr. Haugh: As I understand it, all the meetings that anybody attends are advertised public meetings and people arrive at them.

Mr. McClellan: So it is part of his terms of reference to infiltrate a meeting and to be so disruptive that he has to be thrown out.

12:10 p.m.

Mr. Haugh: If you will recall, the minutes of that meeting indicate that Mr. Barreiro was not disruptive at all. The people on the platform asked if people wanted José there, and there was apparently a decision that José should leave, so he left. He was not disruptive in the meeting at all. At the meeting that was held the week before that, as you know—

Mr. McClellan: He was so disruptive, they had to terminate the workshop.

Mr. Haugh: It depends on which meeting you are talking about. Is that the same meeting where the injured workers asked José to stay? Is that the meeting that you are referring to? There was a vote taken at the meeting and they asked him to stay even though the organizer asked him to leave.

Mr. McClellan: It was the meeting at Bloo Collegiate.

Mr. Haugh: That is the one where the workers asked him to stay. I recall that.

Mr. McClellan: Not in my presence. In my presence, he was expelled by the plenary session.

Mr. Haugh: We are talking about two different conferences then.

Mr. McClellan: I am talking about the one was at—

Mr. Haugh: They were the same day.

Mr. McClellan: —when he had to be thrown out of the meeting. I am curious to know his terms of reference, his job description. Is that part of his job description?

Mr. Haugh: His job description is to liaise with the Portuguese community. There was

meeting that day being held in the Portuguese language and he attended it. He did not make a speech to my knowledge; he was not asked to make a speech. He attended the meeting to talk to the workers. If he was asked to leave the meeting, I think he left. I do not think he created any disruption. If he did I would like to know about it because as far as I can see from any reports I got on that meeting from other people who were there, there was no disruption. He was asked not to stay and he left.

Ms. Fish: I have another question related to page 33. I was flipping the pages and omitted that one.

Mr. Williams: While you are turning to that page, what about the German community?

Mr. Haugh: We do not have any specific communications program in German.

Mr. Williams: There are quite a large number of Germans.

Mr. J. F. McDonald: Interestingly enough, at the appeal board there were only two German cases in 1981 where an interpreter was required.

Ms. Fish: On page 33, the final paragraph under Ethnic Relations reads, "As well, counsellors are trained to acknowledge and understand the diversity of cultural backgrounds among their clients." I interpreted that to mean understanding the variety of groups in the province whether or not they have facility in English. In other words, they may not be third-language groups but they may have a very rich and varied cultural background. I would be interested, first, in understanding whether that is a fair interpretation of the statement in the first case. Secondly, would you indicate to us how the counsellors are trained, what the system is, are there seminars, what kind of content and how formal or informal?

Mr. Darnbrough: Perhaps I could comment. In the vocational rehabilitation division, of the 253 on the establishment some 101 are capable of speaking in more than one language, in some cases three and four languages.

The training of vocational counselling people is conducted in a formal session as an ongoing training measure, to which people of various ethnic backgrounds are invited, to introduce counselling people who have, to that point in their experience and formal education, not been exposed to the various cultures. These folks explain the life situations of, for example, in Italian or Portuguese family. It is a formal session. Of course, there is on-the-job training and coaching by other counsellors as well.

It would be fair to say that those who come to us and participate in a social work environment are exposed to this on a continuing basis and it has been a part of their formal education before they arrived at the board. What we do there is attempt to supplement that so that these people can operate effectively and comfortably in whatever ethnic community they are assigned to.

Ms. Fish: I have some other questions in different areas.

The Vice-Chairman: Carry on, Ms. Fish.

Ms. Fish: On page 16, with regard to the second injury and enhancement fund, it notes that in 1980 the number of claims that involved relief from the second injury and enhancement fund was increased by 15.4 per cent from 1979. I would be interested in understanding the circumstances of that increase and the results expressed in claim awards.

Hon. Mr. Alexander: Your reference is to the second paragraph under SIEF relief.

Ms. Fish: I may not be looking at the correct place in the report in order to know the full story, but that is where I first saw that reference.

Hon. Mr. Alexander: The paragraph to which I am directed says that in 1980 the number claims that involved relief from SIEF was 23,321, a 15.4 per cent increase. Is that the one you are directing your attention to? Perhaps Mr. McDonald would be able to help us in that regard.

Ms. Fish: Is that increase in numbers of applications or is on the numbers that were approved?

Mr. J. F. McDonald: It is not done by application in total. All of our adjudicators, when they are making a decision with respect to a claim, examine all the documentation in that claim to determine whether or not there is a pre-existing condition. If they recognize a pre-existing condition, they will determine whether or not any application can be made to the second injury and enhancement fund.

We do not attempt to differentiate between those employers who specifically request application to the second injury and enhancement fund and those where it is applied automatically. It is one of our features in training our adjudicators to examine the X-ray and medical reports to determine if there is anything that will enable us to provide relief.

Ms. Fish: I am still not sure I have the answer I was after. I understood this to say that there was

an increase of 15.4 per cent in the numbers of claims involving relief.

Hon. Mr. Alexander: That is correct.

Ms. Fish: What I am after is whether that increase of 15.4 per cent referred to the numbers of claims that drew from the fund or to the numbers of claims that could be considered.

Hon. Mr. Alexander: It represents an increase in the numbers which drew from the fund.

Ms. Fish: So that means there was an increase in the numbers that were approved to receive money from that fund.

Hon. Mr. Alexander: That is correct.

Ms. Fish: That was an easy question.

I will move on to decentralization, which was discussed last June and was mentioned again this year. I was a little unclear about what time frame the board had in mind for completion of the evaluation you had referred to in connection with decentralized regional operations, particularly in London and Sudbury.

Hon. Mr. Alexander: This time we shall bring to the microphone, Mr. Bill Kerr, senior executive director and assistant general manager, to indicate what we are doing, what we expect and once we have received that analysis, where we go from there. All I can tell you at this particular time is that it is an ongoing review.

You know that the plan has been in existence for approximately one year now and you have heard Mr. Wrye, who talked about the possibility of our moving to Windsor. He also mentioned Hamilton and Sault Ste. Marie. I would think there is an interest in many other communities, but until we are in receipt of the analysis—and I guess what you want to know is when we expect it—we will not know just what approach we shall take as regards further decentralization or whether we shall decentralize at all.

Mr. Kerr, would you enlighten us as to what your committee is doing right now?

12:20 p.m.

Ms. Fish: While Mr. Kerr is coming to the table, I might add that I would be interested in knowing whether the pensions section, which I understood from the discussion is not decentralized in the sense of being based in a particular region, is also part of that decentralization evaluation study.

Mr. Kerr: Perhaps to put it in perspective, Ms. Fish, allow me to review very briefly what functions are carried out by the regional offices in Sudbury and London right now, which will

take care of the last point. Then we will work into the evaluation. I think it will flow quite nicely in that direction.

First, a quick recap. All accident claims are handled by London and Sudbury and the decisions are made as to whether or not the accident claim comes under the terms of reference of the board and is acceptable. The regional office also has the authority to authorize payments of compensation and to authorize payments for medical aid accounts, which also includes reimbursing injured workers for such things as drug receipts and perhaps transportation costs.

For a number of years we have, through the vocational rehabilitation services division, decentralized the vocational rehabilitation services. That is part of the ongoing program that was in place before official regionalization. We have payment preparation people on staff who prepare compensation payments. We have data processing people who must feed this material into the computers so that cheques can be issued and, without elaborating, we have all sorts of support staff required to make all of this work.

An important function is performed by the two medical doctors in each of the two offices: London and Sudbury. They provide advice on claims, medical aid and vocational rehabilitation and also carry out their normal functions of reviewing difficult treatment cases and assisting wherever possible in that very important work. As you indicated, there are some functions that are still carried out by head office, one being in the area you mentioned, the establishment of permanent disability awards. We have not decentralized that, on the basis that we require the expert, trained staff doctors, as Dr. McCracken indicated a little earlier in our discussion. The body is located in Toronto.

Also, Mr. John McDonald has highly trained pension claims adjudicators who require special training for that function. They work as a team. A number of teams travel throughout the province to various centres, including Sudbury and London, to examine injured workers and establish their clinical disability ratings. The claim services division at head office decides on the dollar value and whether or not a supplement should be paid.

We really have not put our mind to whether we will be able to decentralize that in the future. There are other things we are considering ahead of that. One of the concerns one might have is making sure that all the injured workers throughout Ontario are treated as fairly and equally

possible. That is one of the things we have been strong on in all of our adjudication activities, to make sure there are controls on the regional offices so that the injured workers in Sudbury and London and the rest of the province handled by head office are all treated equally.

For that reason policies are still generated at and are the responsibility of the head office operating divisions. The regional offices adhere to those policies in the adjudication of the payment of medical aid accounts or for the services provided by vocational rehabilitation. I hasten to add that the regional directors and their staff are totally responsible for the delivery of those services within the approved policies set up by head office.

The other large area of interest, I suppose, is that a decision on a claim that is not accepted as coming under the terms of the Workmen's Compensation Act is still sent to head office to be reviewed by the claims services division claims review branch and that adverse decision is made at head office. The reasons are for uniformity and to make sure everyone is treated equally. Claims that go into the appeals system are handled at head office, and head office appeal adjudicators and appeal panels travel throughout the province, including Sudbury and London, to hear appeals locally, where it is more convenient for people.

That brings us to what we are doing in the evaluation of these two offices. The evaluation is under way. We commenced it earlier this year and our first approach was to decide what it is we want to evaluate and then how we are going about that, trying to be as definitive as possible and to be quantitative in our analysis of it so that we just do not have some general statements.

Looking back, with the establishment of these two offices we anticipated that several benefits would be forthcoming. If we did not anticipate that, the whole exercise would be fruitless. We took these anticipations and we put them into different words to what I am going to give you now, but there were eight of them. We felt we should evaluate these eight items and see how we are making out because we had anticipated that we should be able to improve a number of things on the basis of the organization in the regional offices.

1. We felt that incoming mail should reach the claim file or the rehabilitation file more quickly. That is something that can be quantitatively measured.

2. Claim files particularly would be more readily available and information would there-

fore be more complete and prompt in responding to inquiries, be it from the injured worker or some other source.

3. Local field investigations for claims purposes would commence sooner and also take less time to complete.

4. We anticipated that public access, both in person and through telephone contact to the claims adjudicators, would be more personalized. In fact, in Sudbury as an example, every injured man or woman knows the name and telephone number of his or her adjudicator, which is a tremendous step forward, and we can do that kind of thing in a smaller setting. By a smaller setting I mean in a regional office compared with a large organization as we have to have at head office.

5. We anticipated there would be better familiarity with the injured worker and his or her problems and the local work environment. We thought that should be an advantage we would get out of regionalization.

6. Because of the organization in regional offices, we anticipated there would be more opportunities for closer team work among our own teams of claims adjudicators, vocational rehabilitation counsellor, staff doctor and anyone else involved to try to bring all of their knowledge and expertise together in problem solving, to try to help injured workers to a greater degree if we have a problem affecting all of those three services.

7. The next was very important and maybe is an accumulation of a number of the others I mentioned, and that is that we anticipate speedier claims processing, which is part of the objective.

8. We felt there would be improved efficiency in terms of vocational rehabilitation referrals in that as the claims adjudicators and the claim files are located right in Sudbury and London and the rehabilitation counsellors are there working out of the same office the referral time should be less. We have taken those eight anticipated improvements, and the regional directors involved and other people at head office and myself have been working on this evaluation.

The other part of the evaluation includes costs, and that is being worked on now. As to the time frame, I expect there are several more reviews we have to do. There are words on paper and they are being developed quite nicely. I have to review it with several of the executive directors and we still have our regional operations implementation committee of which

Mr. Alan MacDonald is chairman. I am vice-chairman. We want them to take a look at it. I would think I would be in a position to go to the board on this in June.

Ms. Fish: As soon as June?

Mr. Kerr: I would think so. Unless I run into some unanticipated problem, I would suggest I would have this material ready for the board by June.

Ms. Fish: Would that evaluation also indicate some options for future direction, the sorts of things the chairman indicated that had yet to be decided such as whether there should be further decentralization and, if so, when it might occur, what the form should be and other regions to be identified? Or would that be a supplementary phase, if I could describe it that way, following board level discussion of the evaluation report?

12:30 p.m.

Hon. Mr. Alexander: I think that would be a supplementary phase. What the board is primarily interested in now is to receive some documentation in terms of the analysis and the findings of the eight points which we hoped we would have been able to meet. Subsequent to that, I think the next thing the board would have to determine—the board itself, a corporate board—after having looked at that, is whether there is anything else that is required. If not, we would then have to sit around the table and determine can we, in light of the cost, in light of the expectations, in light of the findings, move ahead or do we sit still.

I think there will be a two-phase approach to it: one, to receive the report, and then in due time to determine where we are going to go in the future, if the report is the kind that would indicate we should move. The question is can the corporate board then move as a result of that information.

Ms. Fish: I appreciate that you cannot presume upon the findings of the evaluation while you are doing the evaluation.

I am very pleased to hear the expected timetable on that. I was thinking here, as Mr. Kerr was outlining the numbers of things involved, that it was probably going to be a year or a year and a half down the road before the thing got to the first level.

Hon. Mr. Alexander: Be assured we are quite efficient.

Ms. Fish: That is the reason I expressed some surprise when I heard a possible target date of June. I wonder then if it might be possible when

you come before the committee, perhaps in discussion of the 1981 annual report, at some date in the future to include some reference to way of update to the committee on some of the results of the evaluation study. Presumably there will likely have also been some board discussion at that time.

Hon. Mr. Alexander: We will take that under consideration.

Ms. Fish: Thanks very much. I have no further questions.

Mr. Williams: The report indicates that at the time the two regional offices were set up, Mr. Kerr, with regard to Sudbury, 98 of the people were hired locally and 15 were brought in, presume, from head office here. In London, in contrast, 86 were hired locally and 24 were brought in, which is almost double the number who were brought into the Sudbury situation. Was there any particular reason why there was heavier influx of head office people into the London regional setup as contrasted to Sudbury?

Mr. Kerr: Yes. I think one of the basic fundamentals of the broad approach is that we did not force anybody to leave Toronto to go to Sudbury or London, or force anybody who was in the Sudbury or London area offices, who were already existent, to move to any other office. It was all voluntary. When we gave people options, we found there were more experienced people from head office who were willing to go to London than there were to go to Sudbury. I cannot understand that frankly.

Mr. Williams: You can speak freely. Mr. Martel is not here.

Mr. Kerr: That, purely and simply, is the reason. That posed a bit of a problem which we had to address in Sudbury and which we handled rather nicely. We therefore did not have many experienced claims adjudicators willing to move to Sudbury. For the first six months of 1981, the claims services division, on a rotational basis, voluntarily sent experienced claims adjudicators up and worked with the Sudbury staff until their experience level came up to what was thought was appropriate.

We did not open Sudbury with inexperienced staff. True, there was inexperienced staff gaining experience there, but we supplemented with experienced staff from head office because we wanted both of these offices to be successful. We were in a position to stop that supplementary help, if I may call it that, by about July 1 of last year. We did it from November 1980 to

end of June 1981. From that point on, Sudbury was quite capable of carrying on its own.

We have a way of monitoring this—a point I did not mention a little earlier. Head office is still responsible for quality control through Mr. John McDonald's claims review branch. People go up there and they actually review—it is almost like an audit—the claim files and check on the decisions, check on how the adjudicators are doing in handling cases. We are quite pleased with the results. Both Sudbury and London compare quite favourably with the Toronto operation at head office.

Mr. Williams: At the time the 15 and the 24 agreed to go to those particular offices, was that on a permanent basis or were they going down for a specific time until people locally could be trained to perhaps replace them with the understanding they would come back eventually to head office?

Mr. Kerr: Those who volunteered to go there permanently agreed to go there permanently; there was no time frames. But I must add, Mr. Williams, that within our organization when vacancies occur, whether it be in Sudbury, London or any of the area offices or head office, those jobs are posted. Some of the people who did work in Sudbury and London have been promoted to other offices, so there has been an interchange. People have been promoted from Sudbury to other offices and from London to other offices.

In fact, we had a manager go from Toronto to

Sudbury, a very good man with many years of experience, which was good for the Sudbury office. So we have an interflow of personnel based on open competitions for promotion. Those I mentioned who helped out, the experienced people, were on a voluntary basis just for short periods of time—two, three weeks, a month or whatever was convenient.

The Vice-Chairman: Dr. McCracken has a brief comment.

Dr. McCracken: Yes. Just along these lines for your information, we were fortunate with the two physicians in Sudbury; they were both recruited from the Sudbury medical group. In London, the one physician is from London and has been in practice in London for many years, and the other came to us from Windsor.

The Vice-Chairman: Mr. Williams, it being past 12:30 of the clock, I think it is time we adjourned. I am told by the clerk this committee adjourns at 12:30. I have a list of speakers for Thursday evening, starting with Mr. Kolyn, Mr. McClellan, Mr. Martel, Mr. Williams and Mr. Wildman.

Mr. McClellan: Could I ask you to try to keep to that?

The Vice-Chairman: I will not be in the chair on Thursday evening, but I will pass your message on to the chairman.

The committee adjourned at 12:39 p.m.

CONTENTS

Wednesday, March 31, 1982

Annual Report, Workmen's Compensation Board, 1980.	R-3
Adjournment.	R-5

SPEAKERS IN THIS ISSUE

Andrewes, P. W.; Vice-Chairman (Lincoln PC)
 Fish, S. A. (St. George PC)
 Kolyn, A. (Lakeshore PC)
 Mackenzie, R. W. (Hamilton East NDP)
 MacQuarrie, R. W. (Carleton East PC)
 Martel, E. W. (Sudbury East NDP)
 McClellan, R. A. (Bellwoods NDP)
 Ramsay, Hon. R. H.; Minister of Labour (Sault Ste. Marie PC)
 Sweeney, J. (Kitchener-Wilmot L)
 Williams, J. (Oriole PC)

From the Workmen's Compensation Board:

Alexander, Hon. L. M., Chairman
 Darnbrough, A. J., Executive Director, Vocational Rehabilitation Services Division
 Farquharson, D., Registrar of Appeals
 Haugh, G. A., Executive Director, Communications Division
 Kerr, W. R., Senior Executive Director and Assistant General Manager
 McCracken, Dr. W. J., Executive Director, Medical Services Division
 McDonald, J. F., Executive Director, Claims Services Division



Ontario

LEGISLATIVE ASSEMBLY

No. R-3

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Resources Development
Annual Report, Workmen's Compensation Board, 1980



Second Session, Thirty-Second Parliament
Thursday, April 1, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.



LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Thursday, April 1, 1982

The committee met at 8:09 p.m. in room 228.

ANNUAL REPORT, WORKMEN'S COMPENSATION BOARD, 1980 (concluded)

Mr. Chairman: I believe I can recognize a quorum. Before we continue I would just like to thank the members of the committee for their vote of confidence in me while I was away. I apologize for missing the first two days. Susan has already told me that it was only due to her efforts it was edged over in that direction, so I thank the committee for that. Also, I thank Phil Andrewes for filling in for the first two meetings of this session. I apologize to all concerned, including the minister and Mr. Alexander, that I could not be here.

As I understand it, what has transpired is that this evening we are to complete our examination of the annual report of the Workmen's Compensation Board for 1980. I do not want to get into the years because there is some controversy on why we are still on 1980, is there, Mr. Clerk?

Mr. Haggerty: That shows you the speed of movement here.

Mr. Chairman: I understand Mr. Alexander has consented to lead off tonight by replying to several questions which Mr. Wrye had asked. I have a list of speakers following that and right now it is in the order of Mr. Kolyn, Mr. Laughren, Mr. Riddell and Mr. Williams. I admit that I was not here for the last two meetings.

Mr. McClellan: Put me on the list.

Mr. Kolyn: After Mr. Williams include Mr. McClellan.

Mr. Chairman: Yes. Mr. McClellan and Mr. Haggerty. Is there any objection to my proceeding in that way? If not, Mr. Alexander.

Hon. Mr. Alexander: Thank you very much, Mr. Chairman. First I should say congratulations on your appointment to this high office and I wish you every success with your colleagues. I do not know what is going to happen. I see Mr. Laughren looking at me, but this is typical of Mr. Laughren.

Mr. Laughren: Your tongue is in your cheek.

Hon. Mr. Alexander: No, I am being very serious. When a man is elevated to this particular position he has an onerous responsibility. I know that you will discharge your responsibility in the way that Mr. Laughren and others would want you to do it, sir.

Mr. Laughren: Your tongue is in both your cheeks now.

Hon. Mr. Alexander: As I look at the process, sir, I think you are right. Unfortunately, Mr. Wrye left after our first session. He had a prior engagement. But he did place a number of questions on the table for our consideration; I have nine. Just a short recap, sir. The first one he asked was why is the number of claims less in 1981. That was answered by myself and Mr. Ron Stephens. Then he asked another question: why is the number of appeals reduced? That was answered by myself and Mr. Doug Farquharson.

Then he wanted to know more about regionalization; he hoped more is coming and suggested medical services should also be decentralized. Sir, through you to Mr. Wrye, this question has been answered with respect to our whole thrust on regionalization. If you refer to Hansard of March 31, hopefully you will find the answers there. If there are any which have not been answered to your satisfaction, please do not hesitate to—

Mr. Wrye: Were you in favour or against it?

Hon. Mr. Alexander: I will tell you, sir. I wish I could answer that question, but I have to have the analysis of what has transpired.

As you know, we started this regionalization in December 1980 in London and Sudbury. I can tell you this: all the reports I have heard, even those from the Sudbury region, say it is the best thing since sliced bread. I hope that is right.

We have an analysis. Mr. Kerr went through that sitting on a committee looking at seven or eight different criteria which he has set before his committee in order that they have a full and complete analysis, in order that something can be drafted for the edification of the corporate board. After that, we will decide if, when and how we will.

I think one of the most important things that came out was the fact that this analysis would be

through by June. I think Ms. Fish was pursuing that. She was delighted to know it was going to be at such an early date.

So, in effect, I cannot answer your question. I do not like to say "yes" or "no" without knowing what it is all about and I know that you understand that.

The next one we get to, sir—and I will have Mr. Art Darnbrough answer this question—is you would like to have some information about jobs for rehabilitated workers. I think that part was answered, as such. This is our employment blitz which took place in Windsor. I was pleased to know of the interest you had in that particular program of ours.

The other question you asked is: what is the board planning for older, disabled workers? I was left with the impression that perhaps there was an element of discrimination. This is what I read out of it; perhaps I am wrong, sir.

I would like you to know that does not happen at this board. You can rest assured that when I am sitting there, when you are talking about discrimination regarding age, sex, colour, creed, status, country of origin, that is something I will never countenance in terms of policies of the board. In other words, everyone is treated equally and I can say that without any hesitation whatsoever, unless someone can show me differently.

I see some of my friends on the left laughing, but if they are laughing at what I have stated, if they have anything contrary, I would—

Mr. McClellan: Oh, no. I am sorry.

Hon. Mr. Alexander: Is that another topic you are laughing about? Oh, I am sorry.

Mr. Wrye: Mr. Chairman, through you to the chairman of the board, I would not want to be contrary, but I regret that I have to be. I can show you some forms and some material provided by some of your vocational rehab people which is very negative in terms of older workers.

Hon. Mr. Alexander: Have you got a copy of those forms, sir?

Mr. Wrye: Not with me, but will be pleased to send them on to you.

I would not suggest to you that the WCB is the only group which does it. I have had something of a running battle with Canada Manpower on the same thing. But it seems to me the WCB is as guilty as Canada Manpower—Canada employment centres—that after a worker, be he simply unemployed or an injured worker, turns 55 or so, apparently that seems to be the magic age at

which someone is kind of old to get rehabilitated and re-employed.

I just want to suggest to you that perhaps you should be, in your role as chairman, taking a bit of a second look at what is going on. I find that very disappointing.

I said to you in my opening statement that workers who have reached 60 or 61 still have families to feed, clothe and house, and quite frankly, more important than that, they want to go back and be productive members of the community in which they live.

Hon. Mr. Alexander: I would share that view, sir.

Mr. Wrye: They are not encouraged. On a number of cases that I have, it is written quite specifically that the age thing is a problem. Of course we know it is a problem, but it is a problem to be solved, not to be kind of glossed over saying, "We could not re-employ this injured worker because he is 62." Even given a retirement age of 65, that means the injured worker has three good years of employment left.

Whether he is 62 or 42 ought to mean nothing to the board, in my opinion. They ought to be expending the same kind of effort with a 62-year-old worker to get him re-employed, or her re-employed, as they do with a 42-year-old worker. That is the reason I make the point. I will tell you I find myself very concerned. I am speaking as someone who, unlike my friend the member for Bellwoods, who has been around for a number of years and apparently was involved in the board before becoming a member, I have only one year's experience and I am speaking as someone who has noticed this in a very brief period of time.

Hon. Mr. Alexander: I am sorry to hear that you find that to be a fact. I am at a disadvantage because, first, I do not have in front of me the forms to which you are directing your remarks and secondly, not having them, it is very difficult for me to reply to your questions when you preface your entire statement on forms.

All I can tell you is that having travelled with members of the vocational rehabilitation division, I have yet to hear, or I have yet to see, or have yet to be advised that in any way, instance shape or form that we are giving more attention to those who are younger—and I think you had an age; I just forget the age—the 38s to over 50.

Mr. Wrye: Thirty-eight to 58.

Hon. Mr. Alexander: I am 60, sir, and I would hate to think that anyone would want to put

Linc Alexander to pasture because he is 60. So all I can say is I must take issue with your statement; I just cannot accept it. If you can show me—and I hope you will; as a matter of fact, I would ask you, sir, to drop a letter with the particular form to which you are referring—

Mr. Wrye: I would be very pleased to.
3:20 p.m.

Hon. Mr. Alexander: In order to give you some idea as to what the policy really is—I am speaking in generalities, of course, but very seriously with respect not to the charge but the concerns—

Mr. Wrye: Suggestion.

Hon. Mr. Alexander: —or the suggestion that you have placed before us, Mr. Arthur Darnbrough, who is the executive director of vocational rehabilitation, is here. Could you assist us in this area, Mr. Darnbrough?

Mr. Darnbrough: Yes. I can and would like to confirm Mr. Alexander's comments to you, Mr. Wrye. Discrimination from the point of view of age, as everyone in this room is very keenly aware, is contrary to the human rights code and is most definitely contrary to the philosophy of vocational rehabilitation at the board. On the contrary, we like to look at our clients, our disabled and rehabilitated workers, from the perspective of their abilities and what they can bring to the employment market.

On the top with older workers, we concentrate on expressing an interest in their refined skills, their knowledge, the years of experience they have had in the work force and their work habits. When we approach employers on their behalf, these are the types of things we are promoting. Beyond that, I can assure you that all of the services in terms of counselling—vocational, supportive, financial and employment counselling—that we provide at the board are available to people regardless of their age. The assessment programs which we arrange, evaluation programs in terms of attempting to help them identify occupations which they can move into, are available to the older worker as well as to the young person.

We have to be realistic in looking at educational training. If someone who is 62 or 61 years of age indicates to us that he or she is not interested in working beyond age 65, there is very little point in getting involved in an extended educational program. But we are looking for practical applications for these people. We try to tailor our service to that client's needs and to

that client's abilities and take advantage of the strengths he brings to the market.

Mr. Wrye: I will send you a copy of the letter.

Mr. Darnbrough: If I can answer Mr. Alexander's comments, I would be most pleased if you have cases in particular you think are deserving of review. I would be most interested in taking a look at those for you.

Mr. Wrye, I think there was a question you raised on Tuesday as well and that was your concern about people who were placed in jobs that perhaps were not up to the standard the person is capable of performing. I think you used the phrase "a niche for the disabled." I would like to pursue that with your permission at this time.

All of us have encountered, particularly during 1981 in the International Year of Disabled Persons, experiences which brought to our attention a little more clearly the barriers that are presented to people. Conferences had been held in 1981 that brought this to the forefront. We spoke of attitudinal barriers, architectural barriers and general employment barriers.

If we are attempting, as we are in vocational rehabilitation, to place people back into an occupational setting that is at least equivalent to their pre-accident occupation and to an earning power equivalent to their pre-accident occupation, we have to overcome some of these barriers.

It has been most encouraging in working in the field, even during the short time I have been directly involved in it, to see the change in attitude which is taking place in the employment scene. We saw some of that in Windsor when we visited it recently and invited a number of employers to come along with us.

Mr. Wrye: What I am suggesting to the board chairman is that it is not so much a question of a placement back in an area that is at the level of employment where the person may have left. Let me deal specifically of the Windsor situation. Very often the injured workers with whom I have come into contact in my own constituency are workers who have come from an industry which is, quite frankly—and it is not just the automotive industry, but automotive and allied industries—in enough distress as it is and is really in a pick-and-choose situation. I would draw your attention to the General Motors situation where to get 2,000 employees they have 20,000 applications.

Very often what needs to be looked at with rehabilitated workers, and while the worker is

being rehabilitated, is an entirely new direction for his or her career, particularly in high unemployment areas such as Windsor. It is fine to rehabilitate a worker in a skilled trade, but there is not much point when those jobs are as few and far between as they are today. Really what needs to be done with that worker, in a sense—and if it is done right it can be an opportunity for the worker—is to place that worker in a whole new area where there may be some jobs. We are going to have a tough enough time at times re-employing the injured worker, as you know, and that is why you have the program, without trying to re-employ a worker in an industry where the jobs are very few and far between in the first place.

Mr. Darnbrough: I certainly can understand your concern. We have the same concern in some geographical areas of the province because of the reluctance of long-term people to change, particularly from a protected setting.

If you are talking about the Windsor area, we know it is the automotive industry and a number of the people who come to us have invested a lot of time, energy and years in that particular occupation. We have offered them vocational assessments where we can have these people attend courses where they are examined so that we can determine their interests, their abilities and their aptitudes and we can follow that up, as we have in many cases, with educational training that offers them a new direction.

We can take a person in automotive work and turn him into an accounting-type person. That has happened on many occasions. These kinds of assessments are available to us and we take advantage of them wherever we can. In addition, we have spoken briefly about the job opportunity bank, the computer system we have now, matching relocated injured workers with the work we have found available around the province. I think that is one of the ways in which we have provided additional options for these people. They have a wider range of employment opportunities to choose from as a result of that system.

Mr. Haggerty: How many would you have enrolled in that program today? I am talking about vocational rehabilitation.

Mr. Darnbrough: We have approximately 7,000 people in vocational rehabilitation at the moment. Almost half of those people are now ready to go to work.

Mr. Wrye: How many jobs would you have in the bank?

Mr. Darnbrough: There are approximately 350 jobs in the bank at this point. You have to understand that the bank is created to record jobs where employers have made a commitment, having spoken with our counselling people. That is one aspect of the attempt to get rehabilitated people back to work. Every counsellor around the province on a daily basis is involved in one way or another in locating employment, not all of which would be entered into the computer because they would be working with their particular client.

We have enormous activity going on around the province on a daily basis. If one of the counsellors takes a client with him to an employer on a polled contact basis, or perhaps with some prearrangement, and that turned into employment for the person, then that job would never get entered into the computer bank.

Mr. Wrye: Let me pursue this, and I do not want to drag it out because I know there are a number of other questions to be answered and a number of other questioners. When you were in Windsor, you spoke of the number of jobs that were offered last year by employers—correct me if I am wrong—as being somewhere in the 4,000 range—

Hon. Mr. Alexander: I think that is right.

Mr. Wrye: —and having placed 1,300 into work. What happened with the other 2,800? What is the problem?

Hon. Mr. Alexander: I do not think there is a problem. What we have are more jobs than we actually required. In other words, we had 1,200 job-ready people we wanted to place throughout Ontario, but rather than have only 1,200 jobs I think that what the division attempts to do is to get more jobs from the industry so the injured worker does have that choice. I think that is the first answer.

8:30 p.m.

Mr. Wrye: But my friend the member for Nickel Belt just suggested that we were looking at a bank right now, in answer to Mr. Haggerty of 350 jobs and 3,500 job-ready workers. What you are doing is placing one out of four and yet right now you have 10 job-ready workers for every job you have. Why are we not getting closer to a one-to-one placement?

Hon. Mr. Alexander: I was talking about the employment blitz program we have, which is directly involving the rehabilitated disabled worker. There are other instances where vocational rehabilitation comes into place. I am just talking about one particular program and we

were looking in the Windsor area for approximately 143 jobs; we were looking for 12 jobs in the Chatham area. I understand we have filled something like 30. But to give you some idea of what we are attempting to do in this entire area I think I had better put you back to Mr. Darnbrough, who will be able to expand on this.

Mr. Darnbrough: I am not ashamed in the least that we would have 4,498 jobs located in 1981 and not use them all. It comes back to one of the very points you made; that is, do we offer enough options to disabled people in order to place them properly in employment? Is it necessary to send these people back to the type of work you have, I think, referred to as a niche for disabled persons? We do not want to do that, so if we come up with more jobs we need not be ashamed of doing that.

As far as the record of placing people in jobs is concerned, some of these jobs are available for a week or two and we may not have a person in that particular locale who has the skills necessary, in our opinion, because of the match-up criteria, or in the opinion of the employer to take that job. That job would then come off the record, but it is being recorded to give us an idea and an objective, really, in being able to make commitments with employers and arrange agreements with employers that they would at least offer us this opportunity.

Mr. Wrye: Do you not admit though that when a job goes for a week and then is lost it is lost? I mean, it gets recorded as a job that was available when in essence what you are telling me is that ultimately it is a lost opportunity.

Mr. Darnbrough: It is a lost opportunity to the Workmen's Compensation Board in that we did not have someone in that area, in that geographic setting, at the time who was qualified for that job in the time period when it was available.

Mr. Wrye: That's right.

Mr. Darnbrough: Someone else in the community took that job. If we had had someone available in that community who could have handled the job and was acceptable to the employer then this would not have been what we are referring to as a lost job.

Mr. Wrye: But it is difficult enough to get them. You have 4,300 or 4,400. It is not a lost opportunity to the board; it is a lost opportunity to the injured worker, I would suggest to you with respect.

Mr. Darnbrough: I would suggest it is as well.

Mr. Wrye: I don't care about the board.

Mr. Darnbrough: All right. If we had an injured worker who was available for that job then, of course, it would not be a lost job to an injured worker. I am saying that these jobs pass by occasionally because we simply do not have the people who have the requirements for that specific occupation.

Mr. Wrye: Have you been able, through the 3,000-plus jobs that were lost opportunities, to begin to extrapolate any kind of common denominator of where they occur? Surely there must be some kinds of jobs that are being lost on a very regular basis because there are no injured workers qualified to fill them or whatever.

Mr. Darnbrough: That's right. We have a section within our division that is conducting research on employment trends, on occupations and on educational requirements for those occupations, and they attempt to forecast, as you mentioned earlier, the employment situation so when we are involved in retraining people, redirecting them, preparing them for employment, they will then be available for employment that is available. We have tried to do that.

There is nothing more I can say on this subject, I think.

Mr. Haggerty: May I ask a supplementary? Are you running into any difficulties now since we are in a recession where a number of plants and industries are cutting back in manpower? It seems that they are singling out persons who have an injury and perhaps years of seniority; they are put out or let go.

I can think of a person—I do not have the file number before me—but I know you have worked with him in rehabilitation and in getting him back into the industry. All of a sudden the management says that the job, light modified work, is no longer available and the guy is just put out the door. It is a struggle now in trying to get him back onto the claim.

I feel that if a person has been injured in a particular plant or in an industry and there is no job available I do not think he should have to go on the welfare rolls to survive. This is the problem, particularly in the Niagara Peninsula, with a high rate of unemployment. These persons are among the very first who are singled out in a plant layoff. I am sure my colleague from the Sudbury basin will bear out the fact that it is one of the leading factors in the layoff at Inco: these fellows with an injury, out the door they go.

Mr. Darnbrough: I think, as Mr. Alexander has mentioned, as he meets with employer groups and employer associations around the province one of the things we have concentrated on to try to overcome the attitude of first in, last out—and we know whom we are talking about; we are now always talking about the people with the least seniority—is to provide training measures that will help injured persons to prepare themselves better for a variety of other occupations. Those activities are extensive throughout the province.

A number of people—over 2,000 last year—were involved in formalized training sessions of one kind or another or in on-the-job training arrangements with employers. We have gone in and offered a package to the employers, saying, “We have certain incentives here to encourage you to take workers back into the employment situation.” We have spent moneys on renovating employment situations—changing a workbench, designing ramp space, changing doors and things of that nature.

Mr. Haggerty: Would you say there was any abuse in industry presently because of the depressed economy and the cutback in employment?

Mr. Darnbrough: I am not sure I understand your point.

Mr. Haggerty: I am thinking of one particular case and there are others in the peninsula that I have been working on.

I feel that the economy is not as healthy as it should be; they are cutting back in industry and laying off, and these persons seem to be the ones who are singled out. The employers say the light job is not there and, of course, these people are the first to go. When they are put on the market to try to seek new employment they have one mark against them: they are injured persons, they perhaps cannot do the normal work in heavier industry that others can and they seem to be penalized because of that injury.

The question is, “Should they be penalized in that manner if they are willing to go back and seek employment?” Maybe another fund should be established if industry is going to abuse their rights now in the depressed economy.

Mr. Darnbrough: Your observation is a good one. We have to be extremely careful in attempting to arrange employment with various organizations. We want to make sure the employment that is being offered is going to be permanent, that it is not temporary, that it is not a make-work project of some kind. So we very carefully

analyse these job opportunities as they become available to us.

In addition, you have mentioned the difficulty for people who are restricted in one way or another and because of that are perhaps the first to be expelled from the work scene. We have an incentives program that will allow us to pay the full salary of a disabled, rehabilitated worker during the first four weeks of employment with a new company, an opportunity for both the employee and the company to get used to one another, to assess one another's advantages. The employer certainly can have a good look at whether the person is going to be able to handle the job that is being offered.

If they come to an agreement at the end of four weeks that this person does show sufficient potential and, of course, that the injured worker is satisfied that the job is one he or she might be interested in, then we will enter into an agreement with the employer, which could go as long as 52 weeks, in which we will sponsor the employee to the extent of salary—

8:40 p.m.

Mr. Haggerty: I quite understand that.

Mr. Darnbrough: —with the employer, too.

Mr. Haggerty: Perhaps my point hasn't gotten through to you yet. I have two cases. I will see that you get copies of the files. In both instances these men, because of the red tape involved in being reinstated for benefits under workmen's compensation—it takes six or seven weeks; you have to appeal it and everything else to establish almost a new claim with them. In fact, I have a letter from the Canada Trust company in Niagara Falls. I had to send a letter off to them today to tell them I have initiated an appeal, to hold off on foreclosure on a man's home. I am sure other members have run into the same difficulties with this.

I think some leniency has to be shown by the board in this area so these persons are not put in a position, through management laying them off under the circumstances of the depressed economy, where they are going to lose their homes. It is pretty tough on them. If you are not aware of that, it is taking place.

Mr. Wrye: I guess what concerns us is, for example, the recent manpower commission report, which I am sure you are aware of. It involves not only injured workers but handicapped people in general. It shows a handicapped unemployment rate—and that includes a lot of injured workers—four times higher than the province-wide rate. The handicapped unem-

ployment rate is running in the 30 per cent range and that includes an awful lot of injured workers.

I think what my friend from Erie is suggesting is—

Hon. Mr. Alexander: Mr. Wrye, I think that is why, notwithstanding the economic climate in Windsor, I went to Windsor. The unemployment rate varies.

I know there is an argument going on between StatsCan and the city of Windsor about what the unemployment rate actually is. Notwithstanding what that rate may be, I went to Windsor and I said I was under the impression that the unemployment rate for the disabled and/or the injured worker must be at least four or five times greater.

I had no hesitation in going to Windsor to convince the injured workers, with the co-operation of labour, that in these instances there should be, if you will, more attention paid to them, because if the rate is four or five times higher, I said they are suffering four or five times more, if you can put it that way, and therefore there should be emphasis on convincing the employer that the only problem they had to worry about is the fear of hiring an injured worker. I said to them, "It is one thing to have moral suasion, but in the real world you must have financial incentives."

Whether there is an abuse or not, sir, we also tell the employers, "We are not looking for make-work, short-term, ad hoc programs in jobs; what we want are permanent jobs." It is up to the staff in devising the agreement which comes about that they get the best they can under the circumstances. In other words, certainly we have a responsibility to be accountable.

If you can think of any government program where governments are giving away money—this is not only restricted to Ontario, Alberta, Manitoba or the feds—when governments make moneys available then obviously, whether we are talking about the Income Tax Act or Chrysler or anyone else, we must ask are there abuses? Well, it is up to government and the agencies that are responsible to monitor them in the best way we can.

We were in Windsor the other day. I cannot go too far with respect to the \$65 million that was paid. We know what happened subsequent to that. That is \$65 million, so when we talk about abuse I readily understand. But I think it is up to us, and I respectfully state that under the circumstances and with what we have, the

message I try to bring is: "Don't play games with the board, because we will soon find out what is going on. We are sincere in our approach. We are talking about a specific clientele who need help, and we are not looking for any make-work local employment assistance program, which I am so used to. We want meaningful, long-term jobs."

That is the approach we take, and that is the principle on which we operate. I believe we are being successful. I am not saying that is the end of it. I think we can continually be aggressive. The end result is to convince employers that there is a skill bank from which there have not been sufficient withdrawals when it comes to talking about the disabled and/or the handicapped.

Mr. Wrye: I appreciate what you are saying about StatsCan because they are probably the only people who believe that the unemployment rate in Windsor is seven or seven and a half per cent or whatever it is. The people at StatsCan are living in their own dream world in Ottawa. I hope the rate for handicapped and disabled workers is not four times higher because then it would be around 80 per cent.

Hon. Mr. Alexander: I hope not. Those are the figures I have. As far as StatsCan is concerned, seeing that it is federal, I would look at that with a grain of salt, too, because you have to start thinking about the hidden jobless.

I wonder if we can move on, Mr. Wrye, to talk about the commutation of pensions, which is under 26(1) and under 42(4). Mr. Darnbrough, would you indicate to Mr. Wrye how commutation takes effect as far as the board is concerned?

Mr. Darnbrough: I would be pleased to. As Mr. Alexander has mentioned, the commutations are dealt with under section 26 of the act. It is important, however, to appreciate that section 26 does not provide an outright entitlement for commutations but provides a discretionary status for the board to decide when and under what circumstances a commutation can be granted.

It is also important to recognize that the monthly pensions which are awarded under workmen's compensation are to provide a dependable and a long-term—in fact, a lifelong—source of income for a person whose earnings or whose employment capacity has been impaired or reduced by an industrial injury. We have to keep those factors in mind as we consider commutation requests. It is the board's view

that commutations, when they take place, are to be made on the basis of a relocation measure; that is, an opportunity for the employee either to return to gainful employment or to improve the level of earnings and the type of employment for which they are currently available.

It may help to give us a perspective, Mr. Wrye, if we looked at some statistical information. In 1980, the vocational rehabilitation division investigated about 1,236 requests and in 1981, we investigated 1,275 requests. Mr. John McDonald, executive director of claim services, mentioned yesterday that approximately 76,000 people are receiving lifetime disability pensions from the Workmen's Compensation Board. By comparison, then, looking at approximately 1,200 and comparing it to some 76,000, the number of commutations which are actually investigated in a given time, which is a year in this case, is quite small.

I hasten to add, however, that while the number is small the reasons for requests are often desperate and deserving of some prompt and expert attention on behalf of the vocational rehabilitation division. Our counsellors are properly trained and experienced in handling financial difficulties and are quite prompt in dealing with these cases. The time from the initiation of an investigation until the decision is rendered, now averages approximately 22 days.

Our folks work from Toronto, since it is a centralized type of decision-making process, but much of the information is collected locally, through our regional and area offices, by having counselling people in those areas deal directly with the client to help them assemble the information we need to make decisions.

Mr. Wrye: How many of the almost 1,300 which you investigated were allowed last year as compared to 1980, in which the number investigated was almost the same?

8:50 p.m.

Mr. Darnbrough: In 1980, of the 1,236 that were investigated, 404 were withdrawn. I think it is important to explain that, but I will hold the explanation and give you the percentages if you wish. The percentage granted was roughly 35 and the percentage denied was approximately 64.

In 1981, the percentage granted was 37.7 and the percentage denied was 62.3. In both years a significant number of requests were withdrawn; in 1980, 404, and in 1981, 509.

I mention the number of requests withdrawn because part of the process of investigating

includes a counselling service. If we are involved with a family that is requesting a commutation to resolve debts in order to improve the family's financial position, the investigation will include an analysis of the family's income in an attempt to help the family to set up a budget; it will assess the amount of money that is coming in to the family, the payments that are to be made at the end of each month and can include visiting creditors and arranging with them to adjust the amount of money that they will receive from the client so the client can still survive at the end of the month. As a result of that counselling, many people withdraw their requests for commutation; in other words, their problem has been solved by the counselling service. At the same time, they have maintained the existence of the monthly lifetime pension.

Hon. Mr. Alexander: If there are no questions with respect to that, Mr. Wrye, we will move on to your next point, which had to do with the opinions of the family doctor and the board doctors. I believe Dr. McCracken has already answered that question. I do not know if it was Tuesday or Wednesday, but it is in Hansard.

Mr. Wrye: It was yesterday.

Hon. Mr. Alexander: That is right; it was yesterday morning. If something was left out, please do not hesitate to write to me and I will certainly see to it that you get a full and thorough reply.

The next point raised was that appeals take too long before an issue is resolved, that workers want to know where they stand as soon as possible. We have with us Mr. Doug Farquharson, registrar of appeals, who I am sure could enlighten us in this regard.

Mr. Farquharson: Looking at all the concluded cases for 1980—and this statistic is given in the report—from the time the appeals adjudicators held the hearing until the decision was mailed, the average time elapsed was 26 calendar days. On the same basis the figure for the appeal board is 50.3 calendar days.

In that statistic there are really two groups of cases. Where an appeals adjudicator is able to conclude a case based on the information presented at the hearing—and this is in about 70 per cent of the cases—the decision will be rendered within about one week. The appeal board is likely to inquire in about 60 per cent of cases but on the other 40 per cent they can render a decision in about one week to 10 days.

When cases seem to take longer than that it is because some inquiry was necessitated, which

can be quite extensive depending on what is required. An investigation may order a medical person to pick up additional medical records; it could involve contacting co-workers. In an industrial deafness case, for example, noise level studies may have to be made which could require further medical consultations—things of this nature.

Where further inquiry is made after a hearing, the appeals adjudicator, or the appeal board, has an obligation to consider revealing that information to the parties so that they can make comments. Usually we allow three weeks for comments to come after this information is provided to the party.

Mr. Wrye: I apologize if I misled you. My concern was not so much the time between the hearing itself and the rendering of a judgement. I think the chairman of the Workmen's Compensation Board, as a former member at the federal level, will understand that when one is working away from home territory one begins to lose track of what is going on in the home riding. Frankly, my constituency assistant does a much better job of keeping track because she is the one who gets the calls every day, but one tries to deal with the complaints as quickly as possible.

My question had to do with the scheduling of appeals which at either level appears to involve a very long delay between the time someone says, "I wish to appeal," and the time those appeals take place sometimes months later. That is my concern. An injured worker may wish to appeal an attempt to pension him off at a sum below the total disability award which would send him flying off to welfare. Most people do not particularly like having to do that, less so when they believe they have a just case.

By your own statistics, 52 per cent win at the first level and another 35 to 40 win at the second, so you have an overall rate of close to 70 per cent of workers whose appeals are upheld at one level or another. Their concern, like mine, is the length of time it takes between the time they say they wish to appeal and the time the first or second hearing is held.

Mr. Farquharson: The scheduling figures which are in the report under the title "optimum scheduling" refer to the scheduling time. For most of the year the appeals adjudicators at head office are looking at five weeks from the time the appeal is received until it gets on calendar. For the appeal board the time elapsed was four weeks in 1980. During 1981, it ran mostly three weeks for the appeal board.

Mr. Wrye: That is getting it on the calendar as opposed to the hearing being held.

Mr. Farquharson: The scheduling of out-of-town cases involve trips to the area concerned, and these trips are scheduled as well. For instance, a trip by an appeals adjudicator to Sudbury may be coming up and if a case comes along we can perhaps put it on during that trip, which may be as early as three weeks away. On the other hand, if that trip is filled, the case waits until the next one, which may be as long as from five to seven or eight weeks away.

We also try to accommodate the calendars of various representatives. Sometimes parties may ask for a more urgent hearing time and by the time we are able to communicate with everyone involved, there may be a problem with the calendar of one or other of the parties. This can cause some delays, although we do our best to try to keep the number of postponements down.

If there are any exceptional cases, I would certainly like to know about them so I can look into them to see what created the problem. I would be quite willing to look into them.

Mr. McClellan: What is the average length of time for a claims review decision, do you have that?

Mr. Farquharson: No, I do not have it.

Mr. McClellan: I will await my turn on the speakers' list.

Hon. Mr. Alexander: We will now move along to the topic of workers' advisers. You indicated that we have three and that is quite right.

I think you were concerned about some rumour you heard about their being transferred from the Workmen's Compensation Board I can say that that rumour is unfounded, although I must be frank and say that is recommended in the white paper itself and in the draft legislation appended thereto. But as far as the board is concerned right now, that is not a fact.

You also indicated that they are available only in Toronto. That also is not the case. They travel throughout the province.

Mr. Wrye: Their base is in Toronto.

Hon. Mr. Alexander: Their base is here, the same as it is for the commissioners and the commissioners of appeal who, as Mr. Farquharson indicated to you, schedule travels throughout the province.

9 p.m.

I think your initial concern was with respect to their moving. I can only say we have no plans of moving them right now. Their base is here,

but the white paper does envisage, not only the work of advisers being in a separate place, or perhaps in the Ministry of Labour, but creating employer advisers as well for the small businessmen, who would, following the legislation, be located other than at the board.

I do not know whether that helps you or if that can allay some of your fears in that regard.

Mr. Wrye: I appreciate what you are saying, but my concerns remain. They are based on two things. The first is the base of the workers' advisers, which is not Windsor or Sudbury or wherever, it is Toronto, as you put it to me. I do know they travel, but that is where they are based. Injured workers very often want a one-on-one session and that is why they come to us. They want a face-to-face, hands-on ability to be able to discuss their case, and not four weeks from this Thursday, but today or tomorrow or even early next week.

I suggest to you, with respect, Mr. Alexander, that is a problem. It may not seem as big a problem to you as it does to the workers in my riding.

Hon. Mr. Alexander: Everything is a big problem with the chairman.

Mr. Wrye: I just hope you will do something to take care of that. The skill of the advisers is not in question; their number is. Let me be honest with you. My friend the member for Bellwoods was talking about a caseload of 150 and, quite frankly, I feel for him. You do not want to say no, and I do not say no and he does not say no, to injured workers who come seeking your help.

Hon. Mr. Alexander: We do not say no either.

Mr. Wrye: My problem is that a number of people come to me and I say to them, "Well, we have workers' advisers, but they are not here in Windsor."

Hon. Mr. Alexander: Yes, but they can go to Windsor.

Mr. Wrye: They can go to Windsor, but he wants to talk to someone today, so my constituency assistant schedules an appointment for Friday afternoon.

Hon. Mr. Alexander: I understand. I think what you are talking about is the optimum. I know what you are saying and I must disagree with you in this regard. I believe the workers' advisers, in terms of the demand and the wherewithal they have, are meeting their responsibilities without question. You now state, "Mr. Alexander, I think there is some question to it."

I think what you are really saying is that there should be more workers' advisers.

This is something where, on an ongoing process with the board, particularly when we are talking about new legislation—I see the minister sitting here listening and the deputy minister is taking notes—the future looms bright but at this particular stage the workers' advisers we have, three in number, are handling their responsibility adequately without the injured worker being slighted or downgraded in any way with respect to the service which he rightly deserves. What the future holds we will wait for until we see the legislation.

Mr. Wrye: All I would say to you, Mr. Alexander, is that the point I am making is that they are a very skilled group. There is no doubt about it and no suggestion that they are not working as hard and as diligently as three people can work.

Hon. Mr. Alexander: I did not mean to imply otherwise.

Mr. Wrye: What I am suggesting to you—and the minister is here to hear this and I am hoping you will make representations also to the minister on the final legislation we will have placed before us—is that we need an increase in the numbers. Three is inadequate for a province this size.

Hon. Mr. Alexander: Yes, but we are talking about workers' advisers. I think it perhaps slipped your mind that we do have claim counselling as well and there are a number of counsellors. I see Mr. McDonald, who is executive director of claims. We also have rehabilitation counsellors and they are specialists. So you are talking about one item of the board—

Mr. Wrye: Yes, I am.

Hon. Mr. Alexander: —but there are many others who are able to fulfil a function which will assist the injured worker greatly in knowing what his problems are and how he can solve them.

Mr. McDonald, perhaps you can come in now. We have talked about workers' advisers but there is a lot more counselling as specialist involved in terms of assisting with the injured worker than just three workers' advisers.

Mr. J. F. McDonald: I have just one correction. The workers' advisers are normally only advised where one enters the appeal situation Mr. Wrye. The counselling specialist will enter into the claim as soon as the fact is reported to the board and there are counselling specialists located in Windsor.

Mr. Wrye: But I am referring to the appeal situation.

Mr. J. F. McDonald: I do not have any figures as far as the time lag in the workers' advisers is concerned, but as Mr. Alexander indicated, they do travel throughout the province to interview a workman in his own locale, to represent him in that locale, or if he chooses to come to Toronto, they will represent him in Toronto.

Mr. Wrye: I do not want to belabour it, but I think I have made my point.

Hon. Mr. Alexander: I think I understand.

Mr. Wrye: I deal with appeals and I see the need to regionalize placement of those workers' advisers. We will also need more people. I will leave it at that and we shall see.

Hon. Mr. Alexander: I certainly respect the point you have made and I think I understand it. At the same time, I hope and I know you have some empathy with respect to the position I placed before you.

Can we move ahead then? I think the other thing I see will come under appeals too. It says: "Many board oral and written communications about medical matters are full of medical jargon. Workers and people generally do not understand the message. Plain language should be used."

I agree with you because I think the medical jargon can be quite confusing. I am a lawyer and I think our jargon is equally offensive at times.

I think what we have tried to do in terms of judgements—and I will not pursue this very much further because I should rather have Mr. Farquharson come to the front again—is always and continually to update our writing of judgements because of the same problem you have just indicated to us. I hope we have reached the stage now where, although we are not perfect, it is perceived publicly that the judgements that are being written now are more understandable than they were perhaps five years ago.

I see my friends to the left are nodding in the affirmative. Mr. McClellan and Mr. Laughren said, "Yes, the chairman of the board is right."

Mr. Wrye: You ought to move on quickly before they say anything else.

Interjections.

Hon. Mr. Alexander: Well, they were nodding in the affirmative.

Mr. Laughren: You obviously felt the need to say that.

Hon. Mr. Alexander: I am from the old school, Mr. Laughren, and I know how to operate up here at times, though sometimes it is tough. I like to try to bring you in when I feel you want to make a point.

Mr. Laughren: And we shall bring you in too.

Hon. Mr. Alexander: I hope you do. That is why we are here. We have to be accountable.

Mr. McClellan: You are filibustering.

Hon. Mr. Alexander: No, I am not.

Mr. Farquharson, could you comment on the judgement writing?

Mr. Farquharson: In these days of full disclosure and workers and representatives being privy to more medical information than ever before, there are more and more medical terms to come to grips with. Also the appeals adjudicators and the appeal boards feel some obligation to state the case as directly as they can. In other words, if we are talking about certain medical conditions they feel there is an obligation to be precise in mentioning a diagnosed condition or what is being claimed for.

We find that because of the amount of disclosure people are referring to these medical terms in appeals that are now being made. I will grant you that they have had to do more investigation as to finding out the meaning of them. I think it has just been a growing trend.

The emphasis on appeals decisions is to write to the worker. In saying that, it is sometimes rather difficult to do. One of the basic objectives is trying to write the decision as closely as we can to terminology the worker will understand and not necessarily somebody in the appeals process or perhaps even a very sophisticated representative. We do try as best we can to do that.

Mr. Laughren: I had a letter from you.

Mr. Farquharson: I would say also that the counselling service that was mentioned is very helpful to workers. In particular, we are really looking forward to seeing that utilized, and with the photocopies that are now being provided, that people will avail themselves of counselling and also the workers' advisers as well in terms of getting some assistance and explanations.

I am saying this indirectly because workers' advisers are not associated directly with appeals, but we find that representatives also utilize the expertise of the workers' advisers in this direction as well. Workers' advisers certainly are one of the foremost groups that come before the appeals process.

I do not know whether there is an easy answer

to it, other than to say that people are acquainted with medical conditions and medical terminology, and really demand the appeals process be specific in decisions. If you are denying a back disability you are denying a diagnosis and there is a responsibility to be as direct as we can.

9:10 p.m.

Hon. Mr. Alexander: Mr. Chairman and Mr. Wrye, those are the only questions I have, but if there are others you have missed please let me know—

Mr. Wrye: I know there are a lot of other speakers so, Mr. Chairman, let us move on to that very long list.

Mr. Chairman: Bearing in mind there are several people who would like to get on, Mr. Kolyn?

Mr. Kolyn: First of all, Mr. Chairman, I would like to add my congratulations on your reappointment as chairman of this committee. I would also like to take the opportunity to congratulate the new Minister of Labour, Mr. Ramsay, and welcome Mr. Alexander.

Hon. Mr. Alexander: Thank you, sir.

Mr. Kolyn: The 1979 Workmen's Compensation Board report mentioned that about 7.6 per cent of the appeals at all levels were made by employers.

Hon. Mr. Alexander: Is that the 1979 report?

Mr. Kolyn: Yes. What was the figure for employer-initiated appeals in 1980?

Hon. Mr. Alexander: Mr. Farquharson, could you come to the front? Did you hear the question?

Mr. Farquharson: Yes, I did. Employer-initiated appeals; right in front of me I have 1981. Is that a good start?

Hon. Mr. Alexander: Fine.

Mr. Farquharson: I have this observation, and I can go back with just a little bit of research. Employers initiated appeals on five per cent of the cases before the appeals adjudicators and it was generally comparable to the previous years. There has not really been a change in that. Those are appeals on workmen's compensation claims. At the appeal board level it was nine per cent in 1981 and again this was generally reflected in the previous years.

Mr. Kolyn: So there was no real change over the three years.

Mr. Farquharson: No, sir.

Mr. Kolyn: Thank you.

On page 12, on the appeals system and

hearing trips, the appeals adjudicators in 1980 made 93 trips to conduct hearings at a location convenient to the appellant. Similarly, the report says that the appeal boards make hearing trips every two weeks to Timmins, Thunder Bay, Sault Ste. Marie, Ottawa, London, Windsor and Sudbury.

First of all, of the 93 trips made by the adjudicators, were these made to hear more than one appeal? And of the trips made by the boards, what percentage of the appeals were actually heard outside Toronto?

Mr. Farquharson: I would have to do some research to give you a percentage breakdown. The appeals adjudicators will hear and are able to hear claims in the locale just by virtue of numbers. It is a one-person hearing. When they go out they generally will take seven or eight cases each and two adjudicators travel together. In certain areas because of the caseload four adjudicators, say, will go to Sudbury in one group, and they will have, as I say, that kind of caseload per person.

Of course, there are not as many appeal boards and they have three-person panels. The result is that we can only sustain three panels in any given week, so the appeal boards do not travel as frequently. But in order to serve the geography of the province they will visit each of the areas on an equal-turn basis. As a result, in an appeal board case we will offer the party the opportunity of either waiting for the trip when it is next to the area or of coming to Toronto for the hearing, whichever is the earlier date. Of course, workers and their witnesses coming to Toronto for hearings have their expenses paid.

Mr. Kolyn: I see. According to the charts on page 20 of the same report there seems to be an overall trend for quicker payments of claims. What steps has the board taken to accomplish this? Has the board set any targets regarding the amount of time taken to pay a certain percentage of these claims?

Mr. J. F. McDonald: What we did and what we are continuing to do is to attempt to isolate the initial document as soon as it is received from the employer. That is the employer's report of accident. It is funnelled immediately to a claims adjudicator for examination to determine whether or not the claim is allowable.

If that claim is allowable the claims adjudicator will signify on the document that it is allowable and the term of benefits then can be paid, depending on the information that is on the form as to how long the individual is liable to

be away. If you are looking at a man with a fractured femur you know he is going to be off three to six months. The adjudicator would authorize that payment for three months at the time of setting up that claim.

The payments would be issued automatically every two weeks on the basis of that initial markup. That determination is made before there is any check as to whether or not any prior document may have reached the board to establish the claim. The claim is forwarded to our records division for a check to ensure that there is no duplication. If there is no duplication when the claim number is established the cheque, the claim number and the additional documents are processed at exactly the same time and the cheque would go out within two or three days.

We are continuing to examine that process to try to expand it. We find that quite often, in about 40 per cent of our claims, the doctor's report is the first report to reach the board. The adjudicator will examine the form 8 from the doctor and if there is a clear-cut history of an accident and a reasonable period of disability they will then indicate that the claim can be allowed.

That determination is made at the same time. We find that quite often the employer's report will marry up with the doctor's report in very short order, or we will call the employer to confirm the accident and authorize the payment in that way. We are continuing to review our process to try to upgrade the level of the adjudication in that area.

Mr. Wrye: I have a supplementary here, if I might. I want to raise a concern that has come up on a number of occasions in my office and, I am sure, in a number of others.

Where an appeal has been upheld, or something of the sort where an injured worker is substantially behind in his payments from the board, very often an advance is sent to the worker and very often his money has run out before the matter is straightened out, and we find ourselves calling the board's offices for another advance on the part of the worker.

This delays the straightening-out of the whole process and it just seems that very often the whole process takes four to six to sometimes as many as eight weeks to get straightened out. He will get seven weeks on, and the worker will say: "Look, I am out of money. I need another advance." You call the office and they say, "You know, if we give you the money the file will go to the bottom again." Is there some way this can get straightened out?

Mr. J. F. McDonald: That is not quite correct. It does not go to the bottom again, but certainly what you are saying—

Mr. Wrye: It certainly goes somewhere where it gets hidden for a few more weeks.

Mr. J. F. McDonald: What you find in many of these cases, Mr. Wrye, is that because the individual has been off for that period of time he may have received benefits from some other agency—it may have been the Unemployment Insurance Commission, it may have been welfare, it may have been insurance. We receive an assignment from that other agency, which we are required to reimburse and deduct from any payments.

Now, if we find there is some urgency in providing a man with immediate benefits then certainly we will arrange to have a cheque or a cash advance made available to him, either in Windsor, in your own constituency, or at our head office. But we certainly attempt to process those continuing payments immediately because of the mere fact that it usually is a claim that has been delayed in the process.

Mr. Wrye: It is a matter of getting the overall claim straightened out without the worker having to come back and say, "Hey, I need another advance or I am going to have to go back to welfare because I have used the \$1,300 you gave me because I had some bills." That happens regularly when you give them the money.

Frankly, it works against you as well that you give the injured worker the money while you get the matter straightened out, but he is out of money and you still do not have the matter straightened out, so you have to go through the whole process again.

Mr. J. F. McDonald: Where there is a split or multiple payment there is no question that it takes us additional time to process that payment. We are working to develop a system to overcome that, but in the meantime we will certainly try and get the man enough funds to carry him over until the full payment can be processed. But there should not be too much of a delay. If you have some—

Mr. Wrye: I will let you know the next time I have one.

Mr. J. F. McDonald: Okay. I would like it, Mr. Wrye, if you could let me know when you have one, then I would certainly be prepared to look at it.

Mr. Wrye: I will, because they are not all split and I am very concerned about it. Thank you.

Mr. Kolyn: Dr. McCracken, on page 46, under the communications division, we are talking about the industrial back education program. Regarding this program, is there a breakdown to show from what type of occupation or from which employers the 4,000 persons who attended the sessions came?

9:20 p.m.

Mr. Laughren: They all came from Nickel Belt, every one of them.

Mr. Kolyn: Dr. Laughren, is it?

Dr. McCracken: I don't seem to have that file. From time to time we analyse the patient population of the hospital as it relates to occupation and the people going through the back education program are fairly representative of that.

We pretty well cover the whole field. We have nurses in the hospital who have suffered back injuries, registered nursing assistants from the hospital services; we have truck drivers and people in the construction trades. There is no particular area of identification in the back education program.

Having said this, however, the statistics which are supplied to safety associations and which I have had occasion to analyse from time to time do indeed show that there is an increased incidence of back injuries in the hospital services—I am sure this specifically relates to nurses and registered nursing assistants leaning over beds and lifting patients in a most awkward manner—in the electric utilities; and an increased incidence of back injuries in transportation. Now, there is a decreased incidence of back injuries in forest operations, for instance, and mining operations are slightly below the norm.

Mr. Kolyn: In 1980 45 per cent of the patients at the hospital and rehabilitation centre had back disabilities. Is there any evidence at this time to show that the industrial back education program has had any success in reducing back disabilities?

Dr. McCracken: To respond to that question, the industrial back education program, which is the one we have taken out to industry and which I mentioned yesterday, is too young yet for us to really be able to determine what impact it is going to have, and certainly too short in duration to make any determination about the effect on the patients coming to the hospital and rehabilitation centre. I say this because analysis of the type of complex case we do get at the hospital and rehabilitation centre has shown that the average period from the time of injury

to the time of admission of a patient is 1.7 years, so with a lag period like that and with the IBEP program having been in operation for approximately two and a half years now, it is too early for us to recognize any trends.

Mr. Kolyn: Thank you very much.

I would like to turn to a question I am interested in. It is on the Ontario system of workmen's compensation computer security on page 12 and it comes under the security administration branch. "A great deal of the WCB's operation, by necessity, is computerized now. Recently more and more attention is being paid to the effects of computer crime, to the extent that the Solicitor General's ministry and the Ontario Provincial Police are conducting computer security seminars."

Because of the large number of claims and payments the WCB makes it would appear that physical and data security should be a major concern of the board's security administration branch. What assurances can you give us that computer security is there and in place?

Hon. Mr. Alexander: This time we have Mr. Victor Sweeney, executive director of administrative resources, who can answer that question. But I can tell you, of course, that the computer complement is expensive and it is something we have to stay on top of with respect to security. I believe we have taken a number of initiatives to see that as far as we can go at this particular time the security is there.

Mr. Sweeney, you heard the question. It was a question about the security of our computer complex.

Mr. V. G. Sweeney: Security on the computer system, as you can appreciate, is extremely complex. I cannot give you a straight yes or no answer and I cannot guarantee that we have all of the avenues covered. The responsibility of the security administration branch is to attempt to reduce the exposures to intrusion into our system, which could attack the confidentiality of the information we have.

We are not responsible for internal audit. We are responsible for ensuring that we have reasonable controls built into our system for internal control over issues of batch processing, data controls and adequate processing controls. The internal auditors undertake certain reviews to make sure that these controls are reasonable and are being adhered to.

Mr. Kolyn: There is no way that someone could break your codes as they did recently in

ew York, where some people have been going into the computers and extracting information?

Mr. V. G. Sweeney: First of all, we do not have any dial-up systems so they cannot just dial into a general communications network and, knowing the codes, get into our particular lines. We have dedicated lines going to our regional and area offices and in our head office it is within our building, so it does not have to go over public lines.

To use our system you would have to have to have a proper terminal ID and an operator ID. Certain systems are not accessible by certain sections even within the building itself because there is no need for them to know. We provide access to systems on a need-to-know basis even within the organization to try to protect the confidentiality and too great a conflict of needs.

Mr. Kolyn: Have we had any problems in regard to fraudulent issuing of cheques, or anything like that?

Mr. V. G. Sweeney: I am not in a position to comment on that. That is for internal control.

Mr. Wrye: I have a supplementary on the subject of computers. Do you know whether the computerization of the records includes, for each and every person who is on claim, the location of their file at a given moment?

Hon. Mr. Alexander: I would say the answer is no, but go ahead.

Mr. Wrye: For example, two weeks ago last Friday I had a request from a person whose file had been closed and should have been reopened. This person needed compensation money instantly—the only other option was to try to get welfare assistance—because there was no money over the weekend and there was no food for the family.

I called my contact in Toronto and she said, "Yes, you have a very good case; the thing will be reopened, but I have to look at it before I can approve it." She called me back 10 minutes later and said, "I do not know where the file is, but it is somewhere."

Mr. McClellan: It has never happened to me.

Mr. Wrye: It is not the first time it has happened to me but it is the most recent—just two weeks ago. Is there not some way, Mr. Chairman, to arrange for the computer to indicate where the file goes?

Mr. McClellan: They still use quill pens.

Hon. Mr. Alexander: Mr. McClellan, that was not nice.

I understand, Mr. Wrye, that you would like

to see us have a computer system which would tell us where that file is at any given time. We do not have that possibility now, nor do I know whether such a system is possible, but I know there are checks and balances with respect to files being taken out.

You indicated your contact said she did not know where the file was. I suggest that she should have told you that the file was at a particular division—medical service or pensions or claims. It can be in one of any number of different places at any given time. I do not have the expertise to tell you whether the computer is capable of telling us where a file is minute by minute, but I hope Mr. Sweeney can tell you that.

Mr. V. G. Sweeney: Obviously we do not have a computer tracking system for the specific locations of files, but I want to assure you that it is something to which the board has attempted to respond. We recognize that decisions and service to the needy worker rely on the accessibility of the information in the file. I am responsible for records management, so you have got me in both cases.

9:30 p.m.

Mr. Wrye: I am no expert on computers, but surely this does not call for an excessive change in the system. At least, it strikes me it would not.

Mr. V. G. Sweeney: It can be done. Unfortunately what we are dealing with here is an issue of further delays in the process of managing the file because it requires a transfer from one disc to another. Someone has to key it in and out of the system in that disc. Time is one of the problems. It moves so quickly that by the time we have waited for the system to catch up with where it was, we would, once again, be delaying the file.

In most cases there should be knowledge of where it is in a particular operating section. We may not know exactly which disc it is on—from time to time it is in the adjudication process—but we should know which section it is in. There has been a number of attempts to deal with this. In fact, in the industrial diseases section we put in a special system to do exactly what you have talked about and it took us three times longer to locate a file.

Mr. McClellan: What is the average length of time it takes to locate a file?

Mr. V. G. Sweeney: I do not have that information, Mr. McClellan, but we are very pleased with our rate of success in finding files. I do not have the data with me, but every attempt

is being made at efficiency in this regard. We monitor the service level.

Mr. McClellan: But it still takes days and occasionally weeks through our counselling specialists.

Mr. Chairman: I think we have had enough supplementaries. All members of all parties have experienced difficulties on some occasions. I believe the chairman is aware of that.

I must interrupt at this stage and say to Mr. Kolyn that we have five speakers more, which means approximately 10 to 15 minutes a speaker. I would like to move on.

Mr. Kolyn: Mr. Chairman, I have only one more question, which is very important to me, personally.

Mr. Chairman: Do not spend time explaining it; let's have the question.

Mr. Kolyn: Thank you.

Mr. Alexander, under the offices service branch I noticed that the operating components of this branch include fleet management, in which I am particularly interested. If the information is available, I would like to know how large the board's vehicle fleet is and approximately how many miles are logged, as well as the cost of the gasoline to operate this fleet for the last year.

Hon. Mr. Alexander: In the light of the complexity of the question it would take some time for us to get all the answers for you. Perhaps we could tell you how many vehicles there are in the fleet, but I do not think we would have the figures readily available for mileage, gas and so on. However, your request is now recorded in Hansard and we will get that information for you.

Mr. Kolyn: Let me just continue and you can take your time to answer the question. You may be aware that transportation in Ontario consumes more than one half of the province's total oil requirements and that private car transportation accounts for more than one quarter of this total. Also, you are no doubt aware that in 1982 the Ford Motor Co. introduced the first factory-produced, propane-fuelled cars in North America. While propane is not new to Europe, it certainly—

Hon. Mr. Alexander: I hear they have taken some back, too.

Mr. Kolyn: That is right, but that is just a teething problem, probably.

Hon. Mr. Alexander: Oh, I see.

Mr. Kolyn: I was just wondering, when your board replaces some of the vehicles in its fleet whether it could acquire some which use the new alternative fuels which are available. I think government should be taking their fair share in order to encourage the private sector and private citizens to make the switch.

Hon. Mr. Alexander: In other words, leadership.

Mr. Kolyn: Yes.

Hon. Mr. Alexander: I guess I am at a disadvantage again. I do not know how to drive a car. I do not know the difference between propane and gasoline and I do not know what the cost of either one is.

Mr. Kolyn: You have always had a chauffeur.

Hon. Mr. Alexander: That is not nice, either. Perhaps Mr. Sweeney, right now, could look into what we are doing regarding energy self-sufficiency. I can remember a policy of self-sufficiency in energy in 1979.

Mr. V. G. Sweeney: We have, as a matter of fact, just acquired one vehicle. It is not a passenger vehicle, but is used in the north by one of the safety associations. The north obviously has a better distribution system for propane. We experienced some teething problem with it but that has been overcome. The information to date is that they are quite satisfied with the vehicle.

We will be doing an evaluation to see just how far we feel we should go in that direction. It is in our mind to respond to the energy problem when the time comes for replacements.

Mr. Chairman: I indicated there were five more speakers. You are at the end of the list. Mr. Haggerty, so if you continue to interject you will not get on. Can we look at 10 to 15 minute per speaker? Mr. Laughren, you are next.

Mr. Laughren: Thank you, Mr. Chairman, will try to be brief. I should tell you before start—and this is not cutting into my time—th other night I had a dream that I was being analysed by a psychiatrist who thought I was suffering from mid-life crisis because of my age—I think that is what it is called for males male menopause, in other words. I awoke from my dream in a cold sweat. But what happened had nothing to do with my age, my sense of vulnerability or my sense of mortality. It was that I had gone two days with a compensation case and had lost my identity. But after I got up that morning, a call came in at about nine o'clock and I felt like my old self again. I just

wanted you to know that you have contributed to my rehabilitation.

Mr. Riddell: It wasn't because you never reached puberty, was it?

Mr. Laughren: Careful.

Mr. Wrye: Watch it, you are next. He could go for the remaining 55 minutes.

Mr. Laughren: I had wanted to start with a quote from Weiler. In the preface to his report Professor Weiler says, in a footnote: "Actually the current name is the Workmen's Compensation Board (and the statute is the Workmen's Compensation Act). In the year 1980 it is unnecessary to make the case that this nomenclature is anachronistic, offensive and must be changed. Thus I have taken the liberty of anticipating this first provision in the new amending legislation by referring throughout this report to the workers' compensation system."

I would hope that the chairman—perhaps I should say the chairperson—should think about that in recommendations to the minister for amendments to the workers' compensation act.

I will be specific in my questions because I am aware of our problem with time. I was interested in the comments that have been made already with regard to rehabilitation. I believe the discrimination against older workers has nothing to do with the form. I do not know whether that form exists or not, but I do believe that discrimination does exist.

It is harder to get meaningful rehabilitation for older workers than it is for younger workers. There is a built-in resistance to older workers; whether it is stated policy or on forms or whatever, it is just that that resistance is there in the board. I understand it and I am not pretending that it does not exist in other places, too, but it is there.

I suspect that if you were to do a poll of injured workers or MPPs or the Union of Injured Workmen or whatever you would find that there is a consensus on that. Whether you intend it to be that way or not, Mr. Chairman, I really think it is there.

I am also at a loss to understand why you did not put your rehabilitation payments function in Sudbury when you decentralized. Those still must go to Toronto for preparation and so forth. It is just a minor point but I do not know why, when you have decentralized in other areas, you have not done so there.

Secondly, there is the whole question of people who are on program and going to school

under the rehabilitation program. Correct me if I am wrong here, but why are they still limited to a maximum of \$40 a week for mileage? I think that is not fair and it should be raised. It should be almost double at this point. Maybe that is not a problem in Toronto, but for people who are living in outside areas where they take their vocational or academic upgrading, very often there are considerable distances to drive. I believe the flat-rate maximum is simply not fair. It must be raised because that does not even cover the gas.

In keeping with that also, the room and board maximum now, I believe, is \$70 a week. Correct me if I am wrong. I think that must be raised as well. That is not adequate for people on rehabilitation. I urge you to move the mileage and the room and boards maximums up to a more realistic level.

9:40 p.m.

I would like to comment for a moment or so on doctors at the Workmen's Compensation Board. I do not see Dr. McCracken here, but that is all right. Coming from an area such as the Sudbury basin where we have an enormous number of orthopaedic problems, I find it strange that there are two regional medical advisers in Sudbury, I believe. I think one of them is an ophthalmologist and the other is a general surgeon. That is my information at least. These people are making some pretty substantial decisions on accidents, preaccident levels and so forth.

I remember looking at a worker who had what is called a carpal tunnel syndrome, and the case was denied by the general surgeon, not by a neurologist. I think there are some decisions being made involving very sophisticated neurological problems, and yet they are being made by general surgeons. That is not giving a fair shake to the injured workers. I suspect it is more of a problem outside of Toronto where there are not the same number of specialists available. You need more orthopaedic and neurosurgeons in other parts of the province so that there can be a proper assessment and a proper diagnosis because the workers themselves simply cannot go to Toronto and get those kinds of assessments done on their own.

We find there are still problems with reoccurrences. They are still taking anywhere from four to eight weeks to complete the investigation. There are cases where a worker has a reoccurrence. He applies for compensation and it is put under investigation. He applies for his medical insurance at his place of work, if he happens to

have medical insurance, and the medical insurance people say: "How did you get hurt at work? Have you applied for compensation?" The worker says: "Oh, yes, I have lodged a claim, but they will not pay me yet. They are investigating." The insurance company is not going to pay them under those conditions. So the poor worker is caught between the Workmen's Compensation Board and the insurance company. There has to be some way of sorting that out.

I forget what the term is where one person subjects—there is an expression for that.

Hon. Mr. Alexander: Working the void. I think we took this up the last time.

Mr. Laughren: Yes. It is still there.

Hon. Mr. Alexander: We met with the insurance people, through Mr. Bill Kerr, to see whether we could solve that. But I will not interrupt.

Mr. Laughren: That needs to be dealt with.

Hon. Mr. Alexander: Bridging the gap.

Mr. Laughren: It is not at all the fault of that worker. One way or another, one group should be required to pay, and then if they have to collect from the other body, that is fine. Let them do it. When we dealt with this on another legislative committee I served on—

Hon. Mr. Alexander: On company law.

Mr. Laughren: —there was no real correspondence between the Workmen's Compensation Board and the private industry.

Hon. Mr. Alexander: Are you sure?

Mr. Laughren: They were both sniping at each other and both regarded the other as being uncommunicative. That did not serve anybody's purpose.

Hon. Mr. Alexander: I can recall that particular concern of yours, sir, but we have taken steps since we last met in terms of the company law select committee. We will have Mr. Bill Kerr direct his attention to that, but I will not hold you up because I know you have other questions.

Mr. Laughren: I am just getting cranked up here. Leaving that for a moment and looking at pensions, pensions are still assessed in Toronto. It is not being done in Sudbury even though it is supposed to be decentralized. The calculation of pension assessments can take up to three months. We think that is unnecessary. We think you could have a pensions department in the regional office in Sudbury. We did bring that up last year and we thought it would be resolved by now, but in our view it has not been.

Another area is the basis of which earnings are calculated. I know personally about an individual who got hurt in 1964. He got a 10 per cent pension from his injury in 1964; then it was moved up to 20 per cent. He had a couple of surgeries done, but the surgery did not work out very well and he ended up being completely paralysed in the upper left quarter of his body. He was completely unable to function in terms of employment and he got an 80 per cent pension as a result of that third surgery. But even though that surgery was in 1978, 14 years after the accident, his earnings basis was back in 1964, though the surgery which really screwed him up was 14 years later, not 1964. And here he is being paid on a 1964 basis.

I do not know how in the name of heaven you can justify that. I know the argument that if he got hurt in 1964 and was 100 per cent disabled from 1964 on, then that is the basis on which he will be paid compensation. But he got hurt in 1964, and then as a result of continuing problems he had to go through surgery and the surgery resulted in further problems. The board admits that as a result of the injury he had to have the surgery done and that he is 100 per cent disabled. He was awarded a 100 per cent disability, but based on the 1964 earnings. I think that is really bad. You just simply cannot justify that.

Mr. Farquharson was talking about writing letters that are comprehensible. I defy anyone—

Hon. Mr. Alexander: You had one the last time.

Mr. Laughren: Yes. This is not quite as bad. Let us not get into that.

Hon. Mr. Alexander: All I want to know is did I sign it?

Mr. Laughren: Either you or a doctor because I cannot read the signature.

Hon. Mr. Alexander: Mine is quite legible. I am not nervous when you say that somebody wrote a letter and you flash it around.

Mr. Laughren: This was signed "JFM." J. F. McDonald? That is it.

Hon. Mr. Alexander: That lets me out. I have not been caught yet, Mr. Laughren, but I guess you will catch me one of these days.

Mr. Laughren: I defy anybody to understand that letter. What it has to do with is what is known as the "10 per cent, once-only rule." Do you know what that means? If you do not know what that means, I do not even know whether to go any further.

Ms. Fish: That was the letter you would not give us the signature on last year.

Mr. Laughren: No. As a matter of fact, last year I asked the board not to come down on the board employee who wrote that letter.

Hon. Mr. Alexander: We did not.

Mr. Laughren: You did not. I would have heard about it anyway.

Hon. Mr. Alexander: The matter was dismissed.

Mr. Laughren: This year I do not mind if you do.

Hon. Mr. Alexander: Wait a minute, sir. We do not discriminate.

Mr. Laughren: Anyway, what it really comes down to is that if someone gets hurt, the 1979 and 1981 amendments apply if someone has been off work for 52 consecutive weeks on the 1979 amendment and 104 consecutive weeks for the 1981 amendment. Am I right?

Hon. Mr. Alexander: I remember your letter on that regard.

Mr. Laughren: But if that person goes back to work for a brief period during this time, it is all wiped out because it is a once-only amendment, to apply once only. I defy you to explain that one to me.

Hon. Mr. Alexander: Who? Me?

Mr. Laughren: Anybody except Mr. McDonald because he has tried.

Hon. Mr. Alexander: You can have Mr. McDonald with great assurance.

Mr. Laughren: If you insist, I will read you his letter, but I really do not want to put the committee through that.

To be really serious, I am not interested in a technical explanation so much as why in the name of heaven it is even necessary to have that once-only rule. I am completely at a loss to comprehend why. You can go through all the explanation, but it is all gobbledegook.

5:50 p.m.

I did a comparison of two workers, one of whom got hurt the same day and went through the whole thing—it took me a while to get it through my head—and the other who had an identical problem except that he went back to work for a short period of time. The guy who went back to work got shafted. Now you cannot justify that in any way except for bureaucratic reasons. That is the only reason you can justify it, and that is not the way the board should be operated. I really hope you will take a look at

that and go through the correspondence because, honestly, I do not buy Mr. McDonald's letter.

Hon. Mr. Alexander: He is one of my mentors, sir.

Mr. Laughren: He may be one of your mentors, but he is going to lead you down the bureaucratic path, and you will get mugged in the corridors of bureaucracy, as a certain member of the Ontario cabinet did one time, because that is not the way in which you have to run the board.

Hon. Mr. Alexander: That's right.

Mr. Laughren: I have heard you say that many times, and that is the way it has been run in this particular case. I do not want to take too much time on it, but that is a dumb interpretation of those amendments, it really is.

It is not just if they go back to work. Let's say they are on rehab on the basis of this same principle. There is no course offered in the summertime and they are paid a special supplement for the summer months, July and August. That cuts them off too. You are going to have to explain that one to me as well. That is really nonsense. Don't shake your head; it's true. If you want us to give you examples we can wheel out the case numbers and everything. If someone gets rated for a pension and gets a special pension supplement until this whole thing gets going again, that screws up the 52-week period as well.

You have things in there that are really silly. There is no other way to put it. I think it is bureaucratic; it is not because of saving the board a lot of money. I do not believe that; it is too silly for that. You are much more devious when you are trying to save the board money, as you are with commutations. This is not even that way.

Hon. Mr. Alexander: I take issue with that last statement.

Mr. Laughren: Of course you will.

Mr. Haggerty: Is that section 43(9) you are talking about?

Mr. Laughren: No. Anyway, that is something I do hope you will look at and resolve because I read your letter and I understood the words, but the logic just defies justice.

Mr. Haggerty: Since the chairman is a lawyer, maybe we can get his interpretation of this section.

Mr. Laughren: That is probably the last kind of explanation we need.

Mr. Haggerty: Or the deputy minister, sitting behind over there, hiding someplace, I guess.

Hon. Mr. Alexander: I always take complex questions under advisement, go back to the books and then write the letter.

Mr. Laughren: Could I raise one final major problem before I get to the compliments?

Interjections.

Hon. Mr. Alexander: Compliments? Oh, no! I move that this meeting be adjourned.

Mr. Laughren: I would like to talk to you about something called white hand disease, caused among workers who work with jackhammers and vibrating tools. The more I get into this the more intrigued I become. I even picked up a book called, *Noise and Vibration in the Working Environment*, by the International Labour Office in Geneva. The work that has been done on this area really surprises me. It flows from that whole Raynaud's phenomenon, although they do argue that it should not be all classified as Raynaud's. Anyway, I think the way the board is handling white hands is a disgrace. I am feeling increasingly strongly about this.

Hon. Mr. Alexander: Is this the same as the white finger?

Mr. Laughren: Yes, the same thing. I have a letter from Dr. D. Burton, who is a doctor with the Workmen's Compensation Board. She has written a very strange letter. I really think the board is behind the times in dealing with this disease. That is my assessment of it from having read some of the other material on it and from having read some of the material from Saskatchewan and from the ILO. I think the board is out to lunch when it comes to dealing with white hands.

Hon. Mr. Alexander: Could you give us the name of that book?

Mr. Laughren: Yes. *Noise and Vibration in the Working Environment*.

Hon. Mr. Alexander: Written by?

Mr. Laughren: I do not know the actual author, but it is the International Centre for Advanced Technical and Vocational Training, the ILO.

Hon. Mr. Alexander: I'm sure Dr. McCracken must know of it.

Mr. Laughren: When someone is sent down to have an assessment done for white hands he ends up having his hands put in the ice water test to see how much cold water they can stand. There is a lot of evidence showing that this

disease is very painful, that it can become crippling and that it can become irreversible as a handicap. Despite that, the board is sending people back to work on vibrating equipment when they have been diagnosed as having white hands. Even when they have been awarded a small pension for white hands, they are being sent back on the job. I think that is inexcusable because the disease is progressive and can become, at a certain point, irreversible.

I think it is fundamentally wrong for the board to be sending those workers back, and I can give you names and claim numbers on that as well. I do not believe you are doing the proper testing for people with the disease; I do not believe you have an objective scale to determine the degree of disability of white hands. I think it is time for somebody to test the legal liability of the board in sending someone back with a disease that is progressive. I hope the board changes its policy on this matter, and I will be encouraging people to seek legal opinion on that. I have already asked for it. I have not got a good legal opinion on it yet, and it is a layman's view. But I really think if you send people back on the job with this disease, which becomes progressively worse, you should be held liable for the deterioration in the condition of those workers.

I would like to know, too, at what point you pay a wage differential. We have great difficulty getting that established. At what point do you recommend that a worker be removed from the vibrating equipment to another job and a wage differential established? I find that this whole area is really one in which the board seems to be very halting, very unsure of itself and not up to date. I stand to be corrected on all this, but our sense is that it is becoming increasingly a problem and that the board does not seem to be plugging into how serious it is and making the proper kind of awards attached to it.

As a final plea, I would like to see the board initiate—and this may be, you think, a bit fanciful—some kind of symposium or research centre or something in this province that would draw people from the ILO or some experts on the matter into Ontario to really go into this in a very positive way to find out what is wrong, to find out what we can do, so that we become experts on it. We have a lot of mining and construction in this province, and a lot of the problems originate in those kinds of jobs. I make that plea to the chairman. One opinion is that it leads to arthritis, so there could be cases where arthritis develops. Maybe it should become

compensable when it is related to vibrating tools and so forth. I think there are a lot of areas where the board needs to do a lot more work. Finally, I wanted to pay a couple of compliments to the board.

Interjections.

Hon. Mr. Alexander: Mr. McClellan, leave him alone. Don't bother the man. Time has run out, and I want to hear the compliments.

Mr. Laughren: I believe that decentralization is working. The chairman, I thought, played a part of a game earlier when he responded, but I think the decisions, generally speaking, are better now than they were five years ago, for example.

Hon. Mr. Alexander: And the decision writing. That is what I was referring to.

Mr. Laughren: Yes. That is what I am referring to as well. I think some of the letters are better. I think that access to the files is a major improvement, although I am submitting a claim to the board for four more filing cabinets p.m.

Hon. Mr. Alexander: How about sending us some indication as to how we can improve?

Mr. Laughren: That is what I am trying to do.

Hon. Mr. Alexander: I said that it is not engraved in stone. It is not final, Mr. Laughren, any help you can give us in this regard—

Mr. Laughren: There are those I mentioned pensions and rehabilitation assessment. Things like that would improve the decentralization of the board in the Sudbury office.

Mr. Laughren: That is under study. As a matter of fact, I guess you heard about that yesterday.

Mr. Laughren: No, I did not.

I think you have in Sudbury now over 100 people, about 117, and that about 38 of those are Finnish-speaking. I believe you also have people who speak Finnish and some other languages, and you have a deaf person working there too. I commend you for that; I think that is very good. I think that the job opportunity bank blitzes have been worth doing. There needs to be an enormous amount of work done there in terms of opportunities for those people with disabilities; nevertheless, that is a good initiative to be taking.

Finally, I am going to resist the temptation, because we are in the middle of the Weiler recommendations and all that, to talk about my

dream for a compensation system in Ontario, but you know what that is anyway.

Hon. Mr. Alexander: It is 24-hour coverage.

Mr. Laughren: Yes, regardless of where the accident occurs and irrespective of fault. I will resist that temptation in view of the hour and due to the fact that Weiler is in the middle of making some recommendations, so I will conclude my remarks at that.

Hon. Mr. Alexander: Thank you very much, Mr. Laughren. I say with a great deal of sincerity that I have sat in opposition, and I must be very frank and state that I have very seldom ever complimented heads of crown agencies and/or ministers. I feel very humble at this time when you, as a very effective opposition member, end up complimenting the board. You did not mention me specifically, but I take all the credit and I share the blame. I want to thank you.

Mr. Laughren: If there is one thing I cannot stand, it is arrogant humility.

Hon. Mr. Alexander: That is the old chairman. I want to thank you because I think you are being extremely responsible.

Mr. Laughren: Mr. McClellan did warn me.

Mr. Alexander: I appreciate that, and I know I speak on behalf of my colleagues. As I think of it now and look back, I could have been more fair because I know that in a lot of instances when I was sitting in opposition I would not dare compliment anybody because I did not think that was my role. I thought it was my role to continually criticize. I did not care what they brought in, it was wrong, too little and too late, and that was my policy. Thank you anyway.

You said first—and I do not know how we are going to answer all these questions—

Mr. Laughren: There were not that many.

Hon. Mr. Alexander: You talked about going through the menopause. I cannot get involved with that. I am 60 but I think I know what you mean. The other thing you then led into was workman as opposed to worker. Now I ask you a question. I know I am not supposed to ask any questions. Would you allow the minister, together with your colleagues who sit there in the Liberal Party, to introduce a bill, because you believe it is so important, that directed itself only to the change of the wording from "workman" to "worker"?

Interjections.

Hon. Mr. Alexander: Your colleague asked a question. You will get your shot.

Mr. McClellan: No, I will not.

Hon. Mr. Alexander: No, you will not either.

Ms. Fish: Mr. Laughren raised a lot of questions.

Hon. Mr. Alexander: You raised that question. That was the very first thing you said, and I take it that it is an extremely important matter. I ask you—and, in all fairness to you, you do not even have to answer it tonight, but maybe you can whisper it in the minister's ear tomorrow—would you get together with your colleagues in the Liberal Party and allow the minister to introduce legislation solely directed to the change of the word?

Mr. Laughren: Absolutely.

Hon. Mr. Alexander: Would you do that? Would you discuss it?

Mr. Laughren: As long as there is a commitment that further legislation will follow that will address the inhumanities of the board.

Hon. Mr. Alexander: Well, if you want to put it that way—did you hear what he said, Mr. Minister? I do not accept the last part, the inhumanity, but I know you are going to get legislation in due course. But you have said something, and I hope that Mr. Wrye—

Mr. Wrye: Just slide it in, as my friend said, and we will accept the policy.

Hon. Mr. Alexander: You see, Mr. Minister, you have a commitment from the Liberals and from the New Democratic Party that you are now in a position to introduce a bill dealing with workman only, nothing else. Let us get on with it.

Mr. Laughren: The Tories have a majority government.

Mr. McClellan: All you have to do is worry about the Tories.

Interjections.

Hon. Mr. Alexander: Anticipating that, we already have the name at the hospital in any event.

The next thing is resistance to the injured worker. I do not think we can elaborate on that any further. As for resistance to the older worker, I think we have answered that item, if you accept our explanation. Once again I say I do not want to see that happening. I have been told that it is not happening, and my policy is—and I know my colleagues share this with

me—that there should be no discrimination that regard.

As a matter of fact, Mr. Laughren, when I first came on the board there was some question about it. I ran into a person who felt that he was being discriminated against. I then said, “Mr. McDonald and colleagues, let us have the declaration of human rights”—or whatever you might call it; I do not know what it is, but it specifies what the policy of this province is—“on the plaque in every office of every executive director and throughout the board and throughout the regions.” There is one in my office and there is one in everybody's office, in the hallway all over the place.

Since you people passed that last piece of legislation directed to Ontario human rights, I think it is, we have been updating that plaque to bring in whatever else you people in your wisdom saw fit to bring forth. The plaque will be updated and that will be placed on the wall with it.

Mr. Wrye: We'll have the hearts and minds—and—

Hon. Mr. Alexander: Well, whatever you people pass, we implement, whether it is “hearts and minds” or whatever.

The next thing you talked about was the rehabilitation payments coming from Sudbury. This is under study. As I have indicated, I have every sincere desire to have decentralization work, but at the present time, as you know, the pensions are not involved. There are a couple of other matters. Death benefits are not involved. I take note of your comment. We have the experience of the year through Mr. Kerr's committee delineated so that we will know where we are short and how we can improve. But I am pleased to know that you think what we have done so far is good, so we will keep that in mind.

Now we are getting into the rehabilitation at the \$40 a week for mileage and \$70 a week for room and board. I will stop there because I think those are Mr. Darnbrough's questions. I am not going to argue with you on that point nor do I intend to argue with you about anything. As you have told us, we should live in the real world, and I think we are. I know there is room and board and a daily allowance, which even I have when I go away; that is only \$2 a day. I would like to think that one of these days somebody will give me more.

Mr. Laughren: For room and board?

Hon. Mr. Alexander: No. I am talking about the meal allowance.

Mr. Laughren: You don't stay at the Holiday Inn for \$20 a day.

Hon. Mr. Alexander: Maybe we could get Mr. Darnbrough to answer those questions about the \$40 a week for mileage and \$70 a week for room and board and how we arrive at those figures in the light of the economic uncertainties or the inflation picture as it presently stands. These policies are always being revised. I do not know how often, but I know I see them periodically when they come to the front. Mr. Darnbrough, how does it work?

Mr. Darnbrough: I may have to share this anecdote with Dr. McCracken, but I was pleased to hear Mr. Laughren mention that the mileage should be almost doubled because it was almost doubled just within the last month. The rate is now \$70 a week, the equivalent of the room and board.

Mr. Laughren: Are you talking about the mileage?

Mr. Darnbrough: The mileage while they are in the training program out of the community.

Mr. Laughren: It is now \$70.

Mr. Darnbrough: It is now \$70.
Interjection.

Mr. Laughren: Wait a minute. Could I ask you what you mean by "out of the community"?

Mr. Darnbrough: When someone has to travel out of the city or the community in which he goes to undertake a training program and he chooses to live at home, we will pay up to \$70 a week for travel allowance.

Mr. Laughren: What if he is in the community?

Mr. Darnbrough: If it is in the community, then there is no travel allowance.

Mr. Laughren: So it is \$70 now.

Mr. Darnbrough: That is correct.

Mr. Laughren: Good. I didn't know that.
Interjections.

Mr. Darnbrough: As the chairman has mentioned, these policies are reviewed annually. The review that was conducted through Dr. McCracken's area in May 1981 produced this figure, and the doctor has just informed me that it is an annual review, so the matter will be coming up again for consideration.

Mr. Laughren: What is room and board?

Mr. Darnbrough: Seventy dollars a week.

Mr. Laughren: Is that coming up for review shortly? Is that what you are telling me?

Mr. Darnbrough: Yes.

Dr. McCracken: Mr. Laughren, the date of the last review and approval by the board was May 1981.

Mr. Darnbrough: There is only one comment I would make in that regard, Mr. Laughren. You mentioned the Holiday Inn.

10:10 p.m.

Mr. Laughren: Not because I would stay there.

Mr. Darnbrough: Many times we find that disabled people who have to leave their community prefer to live in someone else's home, either a boarding home or a rooming community, so they have better access to a home environment and the rest that goes along with it. The costs in securing those types of accommodations are much less than would otherwise be necessary.

Hon. Mr. Alexander: All right, Mr. Laughren?

The next one we move to is the two doctors we have in the region, and in particular the Sudbury region. You made some comment about how decisions were being made by—was it a general surgeon?

Mr. Laughren: Yes.

Hon. Mr. Alexander: What you are saying is that there is a need for an orthopaedic surgeon and/or a neurosurgeon, as the case may be. Dr. McCracken, could you direct yourself to this question?

Dr. McCracken: Mr. Chairman, the job descriptions for the doctors who are in the regional offices call for them to be generalists, general physicians, the same as the section medical advisers at head office, because the function of the doctors in the regional offices is similar to that of the section medical adviser physicians at head office, namely, they are there to address medical problems brought to them by the claims adjudication staff. They are there to assist the medical aid people in the adjudication of payment for treatment services where this is required. They are there to communicate with the treating doctors, as I went into in some considerable detail yesterday, to ensure that proper treatment is rendered by the right person at that correct moment; and they are there to ensure that consultations are obtained, we hope through the local medical profession, in the fields of orthopaedic surgery, etc.

Mr. Laughren: That has nothing to do with making the decisions.

Dr. McCracken: We have a bonus here in that the one physician in the Sudbury office is trained as a general surgeon. I have known him for many years. He took part of his post-graduate training at the same time I did at the University of Toronto in the Professor Gallie course in surgery, and he was trained, as I was, in orthopaedics as well. For many years, I understand, he did do a considerable amount of fracture work and orthopaedics, as I did. This is a bonus because he can supply a real added degree of expertise in the field of traumatology.

Having said that, however, I should add that the policy of the board is that where there is a complex case he consults with one of our surgical consultants at head office, just as the two doctors in the London regional office do. Indeed, this was the backup we developed when we decentralized to ensure that we had in-depth specialist consultative opinions, bearing in mind that wherever it is indicated we still go outside, as we always have done, to the appropriate specialist in that particular problem to get his input and his opinion, either through the family doctor, with him arranging for the consultation, or, if he wishes us to do so, with us arranging for the consultation.

So far as the other doctor who is in Sudbury is concerned, he is employed as a general physician, not as an ophthalmologist. He is an extremely keen and brilliant man. Incidentally, these doctors do come down to Toronto and are given a period of intensive training in the medical aid branch and out at the hospital and rehabilitation centres so they will be very familiar with the operations and will be in a position where they can advise the treating doctors locally as to whether or not, for instance, a case might benefit by evaluation at the hospital or whether it can be handled locally—these sorts of things. This particular doctor was really very keen and if he had not been earmarked to go to Sudbury, we would have been very happy to keep him here. There is no question about that.

Again, we have a bit of a plus with this doctor because he is a specialist with many years of training in eye work. Therefore, quite naturally, with any eye claims coming through the Sudbury office we are in a lovely position because we have a specialist in ophthalmology right there to give us his opinion. We have ended up with a couple of pluses, really, and I think this is very good.

Hon. Mr. Alexander: Mr. Chairman, I have a problem right now and, Mr. Laughren, I hope you will give me a break in this regard. We shall have a number of your questions on the table but I know there are a couple of other members who would like to ask questions tonight. If you will, I could give you my undertaking that I will answer a few more of your questions: the reoccurrence matter, the four to eight week matter; in terms of continuity, bridging the gap with respect to the insurance company and the Workmen's Compensation Board pensions being done in Toronto taking three months; the basis on which earnings are calculated—that is the 14-year time lag; the letter by JFM—I do not know who that is—regarding the once-only rule.

You have something on white fingers with respect to the International Labour Organization brochure. Then you asked how we arrive at the differential with respect to these people and sending them back to work; you feel there is a legal impediment there. The last one I think you indicated was that we should initiate a symposium on white finger.

I hope you will give us an opportunity to answer those questions in detail for you, and I undertake to do that as soon as possible in order that your colleagues will have an opportunity to ask a couple of questions. Is that satisfactory?

Mr. Laughren: No. I do not really have any objection to that. It is unfortunate, but I understand the problem. There are not enough doctors in a week to answer the once-only, 10 per cent increasing anyway.

Hon. Mr. Alexander: We are going to try our best to put it in layman's language.

Mr. Laughren: The only other thing I would say is that you have workers' advisers now. I think those worker advisers should be attached to the Ministry of Labour and not to the Workmen's Compensation Board.

Hon. Mr. Alexander: I don't know what for.

Mr. Laughren: I just think that would be better all the way around, and I think you should have one in Sudbury too.

Hon. Mr. Alexander: The minister is listening. I will not make any comment in that regard. But is it all right if we proceed with somebody else, Mr. Laughren?

Mr. Wrye: Could you record the answers in Hansard?

Hon. Mr. Alexander: I beg your pardon?

Mr. Wrye: Is that possible, Mr. Chairman?

Hon. Mr. Alexander: I will tell you what I can do. I will send the answers to Mr. Laughren's questions to him with copies to the clerk so they can be distributed to the other members of the committee.

Mr. Chairman: Okay. I think that is acceptable.

Hon. Mr. Alexander: Is that all right?

Mr. Chairman: Yes. Thank you very much. I appreciate Mr. Laughren and the chairman of the board—

Hon. Mr. Alexander: I do too, sir.

Mr. Chairman: I would like to get to Mr. Riddell.

Mr. Laughren: Mr. Chairman, I just did not want you to completely end on a note that things were all hunky-dory. I do not know how Hansard will spell that. But 75 per cent of my constituency work problem are compensation problems, so it still is a serious problem in the Sudbury area.

Hon. Mr. Alexander: You can count on our support and assistance.

Mr. Chairman: It must be because everything else is running so smoothly, is it?

Hon. Mr. Alexander: Oh, oh.

Mr. Laughren: It wasn't until they elected a government member that we had big layoffs.

Mr. Wrye: You are being provocative now.

Hon. Mr. Alexander: I will not get involved in that one, but I know what he said.

Mr. Chairman: Mr. Laughren's 15 minutes are up, and I would like to go to Mr. Riddell.

Mr. Riddell: Thank you, Mr. Chairman. Your clock is a little different from mine, I think. I am beginning to think that in this job patience is the most important virtue one can have.

However, I just want to say at the start that I appreciate the co-operation I have received from the chairman of the board in acknowledging letters immediately when I send them regarding constituent inquiries and then following them up with detailed explanations regarding the particular case.

I also have to give the regional office in London quite a bit of credit as well. My constituency office secretary has found the staff there to be most co-operative. As a matter of fact, they extended an invitation to members and their secretaries to visit the office and find out at first hand what goes on there. I did not have a chance to go, but my secretary did and found it

very helpful. I know that she would want me to express her appreciation as well.

Hon. Mr. Alexander: Thank you very much.

Mr. Williams: Is that it?

Mr. Wrye: He started with the good stuff.

10:20 p.m.

Mr. Riddell: The concern I want to express has to do with the medical services division of the board. Within the last week I have received several telephone calls from injured workers who are going through the treatment. They tell me they are being subjected to treatment they cannot cope with and that they do not seem to have any rights. They ask me what rights they do have and if there is anything in writing one could send to them to indicate just what rights they have when it comes to treatment.

These people tell me that in going through this treatment they become reinjured, that their injuries become worse than when they first went in. They tell me that they have seen injured workers walk into the place with no visual signs of injury and going out in a wheelchair, so to speak. I am sure they were exaggerating the situation, but they insisted that these workers actually are being reinjured by their treatment.

They did not want me to release their names for obvious reasons, and I do not intend to divulge this information. However, they are people who are at present in the medical services division. They are telling me that they are being subjected to abuse by being given treatment they simply cannot cope with.

One such person has an injured shoulder, and I understand that he was put on weights which he simply could not handle because it was too early in the treatment process and that he ended up with a worse shoulder than when he went in.

Hon. Mr. Alexander: You are talking about our hospital and rehabilitation centre?

Mr. Riddell: Yes. I regret that I had not gone over to look at the facilities. I will take an opportunity to do that when I can. It seems to me that we are always swamped with work and do not have a chance to go over and meet the people we talk with on the telephone or to look at the facilities available to the injured workers.

I must say I was surprised. This is the first time in my political career that I have received a number of telephone calls, one after the other, from injured workers who are receiving treatment and who say they are being subjected to abuse and treatment which they cannot cope with, that they do not seem to have any rights and that they are unable to see the doctor to tell

him, "I cannot stand this treatment." They tell me that the doctors do not know what the physiotherapists are doing and that the physiotherapists do not know what the doctors are doing. They are clearly disturbed by the whole situation.

Have you investigated your rehab facilities to see what is going on over there? I would have to think that these are legitimate complaints; otherwise these people would not be phoning me, I am sure.

Hon. Mr. Alexander: I, too, am surprised at what you have said. Instead of attempting to give you an off-the-cuff answer, I would like to tell you about a letter I have received which has something to say about our hospital. It is almost two pages long so I will not read it. I will simply say that the gist of it is, "Everyone on the staff, I found, was fantastic." That is the other side of the story.

When you say "subjected to abuse," without discussing that part of it now, I would like to know in which cases this claim has been made. Right off I can say that this is intolerable and that we would never stand for that sort of thing. It may happen periodically through a misunderstanding, but if there has been abuse I want to know. I am sure if it occurred, it was unintentional.

With regard to the treatment aspect, perhaps Dr. McCracken can give us a rundown of the kinds of treatment that exist at the hospital and allay your concerns in that regard. Please let me have the names of those people who have been abused so that we may conduct an investigation and take the necessary action.

Dr. McCracken: Mr. Riddell, the first thing I would like to say is that the whole purpose of the hospital and of the medical staff—the physiotherapist, the occupational therapist, the remedial gymnast, the nursing staff and everyone involved in the treatment—is to do everything they possibly can to assist the injured worker in his rehabilitation so that he can return to work and get back into a normal social existence. Therefore, it is extremely difficult for me to understand that anyone whose professional dedication is in the healing arts would ever abuse a patient. I appreciate that this is through the eyes and the interpretation of the patient.

You mentioned that they felt they were being placed on treatment program too early. I draw to the attention of the committee once again a statistic I quoted yesterday when I pointed out that the average patient, from time of injury to time of admission to the hospital and rehabilita-

tion centre, ages 1.7 years. This is evidence that we are not getting these patients early. I wish many respects that we did, but we rely upon local treatment facilities, including rehabilitation centres, to do most of the work.

In the vast majority of instances they do an excellent job, but there are always a certain number of cases where they fail in everything they attempt to do. We know for sure—and tell this to every patient who comes into the hospital—that we are going to do everything we can to assist in the rehabilitation and that we realize many things have already been done, but that we are going to retrace many of the steps and are going to add new things.

We tell the patient that it is extremely important, if we are to succeed, that he participate in his own rehabilitation because without him we cannot make it. We also tell him to bear in mind that for the past year or two or three years he has been receiving physiotherapy treatment for five or six weeks at a time but only intermittent and that it has only occupied a small part of each day. We ask him what he has done with the rest of his time and the answer almost invariably is he has been sitting at home."

The main problem we are faced with is that the majority of the patients who are coming into the centre, even if they have never had an accident, are in such deplorable physical shape that if they were to go back to work they would be crippled with muscle pain, backache, muscle strain, etc. That is why we employ the remedial gymnast to try to restore the necessary muscle substance and muscle tone to these people.

We warn them that as they go into the treatment program they are going to have aching muscles just as anyone starting on a job will have aching muscles. We tell them they can expect to have the aches and pains as they get into the program, but that we will gear the program to suit their needs; that if they feel they are loading it on too quickly they are to tell the therapist, who will adjust the treatment program. This is the purpose of the game.

Furthermore, no patient is required to take treatment that he feels he cannot do or that he does not want to take. We encourage the patients to become totally involved in the treatment program because this is the way to turn them around and return them to employment. Very often this is the last shot and if we do not do it, they never will get back to work. So it is vitally important that we do this.

Our salvage rate, the percentage of cases that do return to employment, is significantly high.

ning consistently at 75 per cent of these difficult cases. So we do have tremendous co-operation from the vast majority of patients. However, there are some patients who, for any number of reasons, do not want to co-operate. Possibly they are afraid that if they respond too well and go back to work, their compensation payments will be stopped; then if they have further trouble, they are worried about what they will do. This does create a fear in the minds of some of them.

With regard to your constituent saying the doctor does not know what the therapist is doing and vice versa, for your information—and I really would encourage you to try to get out to the hospital sometime—the whole treatment concept is indeed a team concept. The team is made up of the doctor, physiotherapist, occupational therapist, remedial gymnast, social worker and psychologist with ready consultations whenever we need them in orthopaedics and so forth. That team meets every day and as a team discusses one fifth of its caseload so that each week it has discussed every case it is looking after. It is not just the doctor that has input; they go around and say, "How is this person doing as it relates to his physiotherapy? How is this person doing as it relates to his occupational therapy?" It is all documented, and they have flow sheets showing where the areas of concern are, be it in physiotherapy or wherever, so that everybody does know, probably better than in most other treating centres, exactly what the status of the patient is.

We think we have a pretty good system running out there. These are a couple of exam-

ples where, for whatever the reasons are, the person has felt threatened and alone and that nobody is listening to him and so forth. I want to assure you that the whole substance of the hospital is to do everything we can to help.

Hon. Mr. Alexander: Mr. Riddell, I know your time has expired, but if you have any further questions, please do not hesitate to write to us and I will try my best to get back to you. Last, but not least, I want to thank you for the compliments you extended to the board. We do appreciate it. Thank you, Mr. Chairman.

Mr. Williams: I have a couple of questions that will take a little while. I will save them for the next round of the board and get on first the next time so I can be assured of getting them in.

Hon. Mr. Alexander: If you want to write to us, Mr. Williams, where there are matters of concern, you can put them down on paper and we would certainly be pleased to look into them for you.

Mr. Haggerty: Do you have time for one quick question? I think my name is down there.

Mr. Chairman: You are right after Mr. Williams.

Mr. Haggerty: Has he passed?

Mr. Chairman: No. He has asked to go first on the list for the 1981 report. I thank the chairman of the board and the staff. No doubt we will see you all again when the 1981 report is referred to us. Mr. Williams and Mr. Haggerty have already put in bids. They are on the list.

The committee adjourned at 10:33 p.m.

CONTENTS

Thursday, April 1, 1982

Annual Report, Workmen's Compensation Board, 1980.	R-8
Adjournment.	R-8

SPEAKERS IN THIS ISSUE

Haggerty, R. (Erie L)
 Harris, M. D.; Chairman (Nipissing PC)
 Kolyn, A. (Lakeshore PC)
 Laughren, F. (Nickel Belt NDP)
 McClellan, R. A. (Bellwoods NDP)
 Riddell, J. K. (Huron-Middlesex L)
 Williams, J. (Oriole PC)
 Wrye, W. M. (Windsor-Sandwich L)

From the Workmen's Compensation Board:

Alexander, Hon. L. M., Chairman
 Darnbrough, A. J., Executive Director, Vocational Rehabilitation Services Division
 Farquharson, D., Registrar of Appeals
 McCracken, Dr. W. J., Executive Director, Medical Services Division
 McDonald, J. F., Executive Director, Claims Services Division
 Sweeney, V. G., Executive Director, Administrative Resources Division



No. R-4

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Resources Development
Estimates, Ministry of the Environment



Second Session, Thirty-Second Parliament
Tuesday, May 25, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.



LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Tuesday, May 25, 1982

The committee met at 8:03 p.m. in room 228.

ONTARIO MINING ASSOCIATION

Mr. Chairman: I call the meeting to order. If we could take 30 seconds, there are two items we could deal with before we get into the environment estimates. The first is a letter I asked the clerk to circulate from the Ontario Mining Association asking if they could meet our committee for a breakfast meeting. I had asked it and asked that it be circulated until our next meeting.

I know we have quite a few substitutions in tonight to hear the Environment estimates. I do not think this letter has to be acted on today, but maybe those who are substituting could check with the regular members of the committee from the various parties and see if there is any objection or if there are any comments on that.

If everybody agrees, I could have the clerk set up. I would suggest a Wednesday morning some time if that is suitable to the Ontario Mining Association because we meet Wednesday morning, although it will be different members.

The clerk has a few copies. I am going to ask Andy Richardson to pass them out. Could the members check with their counterparts?

Mr. Elston: We have no difficulty with that.

Mr. Chairman: Let me know tomorrow.

WORKMEN'S COMPENSATION BOARD ANNUAL REPORT, 1980

Mr. Chairman: I do not think there will be any difficulty from those on the committee with the other item. This committee dealt with the Workmen's Compensation Board report for 1980. The clerks tell me the chairman neglected at the conclusion of our consideration of that to indicate in Hansard that this concludes our consideration of the report. They say they require that before they can remove it from the Order Paper. Is there any objection?

Agreed to.

Mr. Chairman: We agree we have completed the annual report of the Workmen's Compensation Board? That is all we need now.

ONTARIO HYDRO ANNUAL REPORT, 1980

Mr. Elston: Mr. Chairman, may I raise a matter that relates to a motion I requested and to a petition I filed in the House on April 29 with respect to the annual report of Ontario Hydro?

ESTIMATES, MINISTRY OF THE ENVIRONMENT

Mr. Chairman: Mr. Elston moves:

"That pursuant to the petition tabled in the Legislature on Thursday, April 29, 1982, requesting the referral to the standing committee on resources development of the annual report of Ontario Hydro for the year ending December 31, 1980, that the same annual report be brought before this committee for consideration commencing Tuesday, May 25, 1982, so that this committee may initiate a public hearing concerning the proposed Ontario Hydro-GPU export."

I guess the motion is in order. I think the committee had decided we were dealing with the Environment estimates tonight.

Mr. Elston: We had not started. This is the first time we have met for quite some time. Perhaps we should speak to the motion first and deal with it in that light.

Mr. Chairman: Do you want to speak to that, Mr. Elston?

Mr. Kerrio: Is a seconder needed for that, Mr. Chairman?

Mr. Chairman: No seconder is needed.

Mr. Kerrio: The motion is in order then.

Mr. Elston: Thank you, Mr. Chairman, I would like to speak to it. There are several points that need to be made. First, we do need a hearing into this matter and there are a number of reasons why. We have to determine whether it falls under Ontario's rarely used and often misused or nonused Environmental Assessment Act, or whether a special ad hoc hearing process should be conducted similar to that which occurred under the Elliot Lake mining expansion application, or whether we pattern it after the type of hearing that was established for the South Cayuga site.

8:10 p.m.

The most important reason is that the hearing had been promised, not only by the previous Minister of the Environment, Dr. Parrott, but also by the current minister, Mr. Norton. If I could take some time here, I would like to refresh your memory on the promise made by Dr. Parrott on April 22, 1980, which was over two years ago. On that day Dr. Parrott was asked by the former leader of the third party, and I quote, "... could we have an assurance here and now from the Minister of the Environment that the proposals to export electricity from Nanticoke under Lake Erie will be subjected to the full environmental assessment procedure under Ontario's Environmental Assessment Act?"

The then minister, Dr. Parrott, replied, "The answer to the latter part of that question is yes," and I emphasize the answer yes. "It was always the intent of Ontario Hydro and they understand it. . . The best interests of this province and the best interests of the North American continent will be fully assessed during those debates."

That, clearly, is the first commitment that occurred to have a hearing under the Environmental Assessment Act, but again on June 26, 1981, Mr. Norton, the present minister, quite clearly stated: "My position certainly has not changed from that of my predecessor," meaning that he was committed as well to the environmental assessment hearing. Based on these statements, I think we would all have to assume that we have a definite commitment from two very respected ministers of the crown that indeed there will be a hearing on the Ontario Hydro export to General Public Utilities, utilizing the Environmental Assessment Act.

However, in spite of the jingles such as "Come on, people, help keep the promise," it appears that the government has no intention whatsoever of keeping its own promises. I might add that just recently the Minister of the Environment indicated through one source or another that, in fact, time would not allow a full hearing under the current Environmental Assessment Act procedures, which draws away from his commitment of June 26.

Last fall the minister informed us of three independent legal opinions that he had obtained on the matter as to whether Ontario could have a hearing under the Environmental Assessment Act. The first opinion came from letters dated March 31, 1980, and May 30, 1980, from Mr. Pierre Genest of Cassels, Brock—the same person, by the way, who was one of three Ontario people appointed to the board of Suncor

recently. The letters were addressed to I. Arthur D. Gardner, the assistant general counsel of Ontario Hydro.

The second opinion is in the form of a memorandum dated February 18, 1981, Marie Rounding, who is a crown law officer attached to the Ministry of Energy. The letter addressed to Mr. Jack Johnson, director of legal services, Ministry of Energy. I have to remind you that it was Ms. Rounding who, while representing the province of Ontario before the National Energy Board in the GPU hearing stated on January 27, 1982: "The province submits that it is neither necessary nor appropriate for the NEB to attach a condition to export licence with respect to air emissions."

There is also a third opinion which came in the form of a memorandum dated October 1981, written by David W. Mundell, QC, counsel, constitutional law division of the Ministry of the Attorney General, to Mr. M. B. Jackson, crown law officer attached to the Ministry of the Environment.

Basically, Mr. Chairman—and for the benefit of the members present—all these opinions indicated that, given the doctrine of primacy under our constitution with respect to federal legislation in specific areas, the Environmental Assessment Act would not be legally binding given the primacy of the legislation and the authority of the National Energy Board.

Let me point out that with respect to these opinions, there are a number of significant problems. First, with respect to the opinion of Mr. Genest, which was written in March 1980, some three weeks before Dr. Parrott—and I underscore that—made the commitment to have a hearing under the Environmental Assessment Act, it was obvious that this opinion was available at least somewhere, probably to the minister, yet he went ahead and made the promise to have the Environmental Assessment Act hearing despite that fact. The present minister has defended the promise of his predecessor on the grounds that Dr. Parrott made the promise without the benefit of the opinion.

Surely on such an important matter, Dr. Parrott should have been informed of Mr. Genest's legal opinion somewhere between March 1980 and April 22, 1980, a period of almost a month. If Dr. Parrott was unaware of Mr. Genest's legal opinion, then it only goes to prove that Ontario Hydro operates in a vacuum uncontrolled by the government and is determined to do what it wants to do without providing the proper information to the minister.

I think that is probably not a very satisfactory set of factors to be operating under.

Second, in looking at Mr. Genest's letter of March 31, 1980, we wonder whether the proper question was addressed to Mr. Genest. In a letter to Mr. Gardner, Mr. Genest states: "You have asked for my opinion on whether all or any of Ontario Hydro's proposed export applications to the National Energy Board, which include the General Public Utilities export, must be preceded by an approval under the Environmental Assessment Act." I would submit that the question should not have been asked in that manner.

The question should not have been, "Should the export applications be preceded by an approval under the Environmental Assessment Act?" Instead, the whole question should have read as follows: "Can a hearing under the Environmental Assessment Act be conducted regardless of any hearings before the NEB so that full environmental implications, the need for the project and alternatives to the project can be examined?"

That puts a different light entirely on the type of question to be answered by Mr. Genest and deals specifically with the powers and authority of the Minister of the Environment to deal with matters under his jurisdiction. Clearly the proper question was not asked; therefore the legal opinion was questionable as to whether or not there is any authority residing with the minister. On April 27, 1982, the energy board made public its recommendation that Hydro's export GPU be accepted in its entirety with absolutely no conditions attached to the acid gas emissions resulting from the export. In response to the recommendations, the federal Minister of the Environment, the Honourable John Roberts, issued a press statement which stated in part: "I urge the government of Ontario to undertake immediately as its responsibility a thorough review of the adequacies of the control measures pertaining to this proposal."

In discussions with Mr. Roberts' executive assistant, it appears that Mr. Roberts was asking that Ontario conduct a full and proper environmental hearing on the GPU export matter. To this request Mr. Norton has stated: "I do not think that it is within the prerogative of the federal minister to attempt to direct or instruct the provincial cabinet." It was further added by the minister: "There are certain time restraints on the electricity sale in terms of the contract being signed and bringing it on stream. That does not lend itself to a great deal of flexibility."

I might just go on to make an observation about one of the reports recently forwarded to the Legislature by the Royal Commission on the Northern Environment, of which Mr. John Fahlgren is the chairman. It indicated that the decision made on the road to Detour Lake, which culminated in some unsatisfactory results regarding the procedure used in dealing with the applications and with the project in general, resulted not necessarily in the defeat of the requirements of the Environmental Assessment Act, but certainly in the defeat of the spirit of the act inasmuch as it appeared that the Environmental Assessment Act played second fiddle to the expediency and the need for development.

I do not think this is really the vision that the drafters and promoters of the Environmental Assessment Act had in mind when they brought it forward as one of the great examples of progressive legislation in the environment field for the province of Ontario and, I am willing to admit, in the Dominion of Canada.

8:20 p.m.

There are certainly a number of distinct points to be made for the argument that time does not favour an inquiry. First, the government has known about the General Public Utilities export proposal for well over two years. This matter did not just creep up on the government within the last few months. I would have thought there would have been adequate time to form some kind of a procedure whereby we could have had adequate opportunity for public input into the decision-making.

I realize from dealing in other committees and with other ministries that at no time does any ministry preclude public input of one sort or another, but what apparently happens in a majority of cases is that a given ministry will set up what I have nicknamed a prescribed public. In other words, it is set out in the ministry somehow that they really ought to get in touch with X, Y and Z, and once they have made those contacts and received comments, they need go no further.

That sort of happening precludes the active participation by the public at large in the decision-making process. I find that difficult to accept in so far as the interests of the public are limited to a very few of the interest groups. We must be sure everyone has the opportunity—in fact, has the right—to make input to help determine what government policy will be from one day to the next. In respect of this one, I feel there has not been adequate opportunity for the

public, in general and as a whole, to make those sorts of inputs.

Secondly, no matter what the three legal opinions say, it is inconceivable that the minister responsible for the protection of Ontario's environment feels the National Energy Board should bear his obligation to the people of the province. I do not think the minister can afford to have the NEB assume that it is looking after the environmental interests of Ontario. As all of us know, the three main issues with which the NEB is concerned are basically energy, energy and energy.

Mr. Kerrio: We all know what is said about those feds: "They just ain't going to do it."

Mr. Elston: The minister obviously feels that in this particular situation, to paraphrase my former leader, it is appropriate to have the foxes guarding the chicken coop.

Thirdly, the minister is aware of the spirit of our environmental protection and assessment legislation which promotes a public airing of environmental concerns. It seems, though, at this stage that both the minister and the government appear to be avoiding public hearings on environmental issues. I do not think that is an appropriate stance for him to take at this time.

To be fair to the minister, he has not, under questioning on the last several occasions, said that he would not hold public inquiries. His comments have basically been to the extent that he would ensure adequate representation when the issue was made to cabinet. So far, he has not been able fully and frankly to answer the question of whether or not he is willing to hold a hearing which is not necessarily under the Environmental Assessment Act, but a hearing which will be public in nature and probably operate under prescribed, maybe even limited, time constraints so the public could have access.

Mr. Kerrio: Waffling is the word.

Mr. Elston: I do not think that is fair. He just does not comment.

Mr. Kerrio: We cannot be fair, we have got him off his end to do his job.

Mr. Elston: In any event, I just want to bring to the attention of the minister a comment he made on May 3, 1982, that I read with great interest. I can remember the evening quite well. At about 10 minutes after six I was sitting in my office when some poor haggard taxi driver came running through our offices trying to locate Mr. Kerrio and Mr. Rudolph because there was a statement to be delivered.

I was tending the fold at that time, making

sure no more sheep escaped, I suppose, and accepted the delivery. Not wanting to have the wool pulled over any more eyes, I accepted the documents, which were in the usual brown Ministry of Environment envelopes, and about a quarter after six read the remarks the minister was to make to the Canadian Environmental Association. They dealt in at least one section with the topic of public participation in the environmental decision-making process, and I have to quote just one small excerpt.

"While government may have an array of experts at hand to consult on a given issue, there is no question that it has a surer guarantee of complete and accurate information if the public is also involved. With the opinions of many competing and interested parties on a given proposal laid before government, decisions will be made which more readily reflect the public interest."

That was a statement I found myself applauding even in the privacy of my own office as I was considering the various issues with which we were dealing.

Mr. Kerrio: That is good stuff, motherhood and all that stuff.

Mr. Elston: I suppose it was very difficult taking into consideration the group he was addressing that evening, to say anything much different from that.

Hon. Mr. Norton: I have never contradicted that kind of statement. The member knows that is what I believe.

Mr. Elston: I can imagine. The only contradiction that appears to run is that the minister seems to be very hesitant to get past what I have labelled the prescribed public. It is essential to get beyond that, not only in this ministry but in all ministries. Sometimes I find there are very good opinions which are left not only out in the cold but which are left festering in the heads and the minds of the various interest groups which feel slighted for one reason or another. Not only is that unhealthy, it takes away from the impact of the decision, once a person has not been contacted.

Hon. Mr. Norton: We ought to be as sincere in our consultation with the public as the member's colleagues in Ottawa are in their consultations.

Mr. Kerrio: No. We have written them off.

Hon. Mr. Norton: We do listen, and there is a variety of mechanisms that can be used. There is nothing to preclude anyone from particip-

g, but I will respond in more detail. I am not sure what model the member is discussing.

Mr. Elston: The models are from my limited experience on the justice committee where we have done some fairly worthwhile work in ringing in people who were not consulted with respect to certain pieces of legislation. Once a ministry gets set in dealing with a certain group of people and having contacts which have proven to be very effective contacts—and I am not saying that is not the case—once a ministry gets set in its ways, it is very easy to overlook some contact people who are not so obvious.

Those people are, unfortunately, the ones who have not only a different perspective but a very timely perspective to give when legislation or decisions are being reviewed by the minister. I think it is that refreshing burst of ideas that really keeps the minds of the ministry personnel fresh. Not having been a minister, I guess I cannot comment on that.

Mr. Kerrio: That comes next, after we run these guys out.

Mr. Elston: New ideas from that viewpoint keep us all looking clearly at what we should be focusing on.

After we get through all that information, there is another reason we should be having a hearing. There seems to be a problem with dealing with information from a different perspective which, in some sense of the word, may end up providing some misinformation to the public at large and also to the people making the decisions. We are dealing with Ontario Hydro, a very global, complex and well-organized corporation when it comes to dealing with issues which reflect on its sale of electric power.

3:30 p.m.

Back in March Hydro released a one-page document called Setting the Record Straight. I have a copy of that here. It is a nice small-type thing. Unless you had your magnifying glasses, it would become very difficult to read through it. The Premier (Mr. Davis), in responding to letters of opposition over the export, sent out copies of this Hydro sheet as his reason for supporting the transaction. In other words, he was really letting Ontario Hydro do the writing or him.

I must say, in fairness to the Premier, that the letter-writing campaign which was organized to bring the matter to his attention had been set up by a very active group of people. They had suggested that people send in a seven-cent cheque to represent the savings on a monthly

basis on hydro accounts that the General Public Utilities deal is supposed to save Ontario.

What he did was write a very short note and point out that he was setting the record straight by using something that was generated by Ontario Hydro. I do not think it is worth while at this point reading through that, although maybe at some future time we will. What I will do is just set out a few chosen spots. In this document, Setting the Record Straight, there are a few introductory paragraphs, followed by a copy of a letter sent by Hugh Macaulay, chairman of Hydro, to Ron Irwin, chairman of the federal subcommittee on acid rain.

You might remember Mr. Irwin as being chairman of the group that formulated the Still Waters report, a very well received, well-documented and well-presented piece of work—probably one of the foremost things that has been done through the federal government recently. I think maybe even the Minister of the Environment may consider that. I do not see him nodding his head.

Mr. Kerrio: They distributed some of the copies of that.

Hon. Mr. Norton: I have some reservations about parts of it.

Mr. Kerrio: They thought that was pretty good.

Hon. Mr. Norton: On the whole, however, I was supportive of the general thrust.

Mr. Elston: Then I think we have some sort of an agreement that there was some very good work done. It is something that, by the way, was hardly supported, as I recall, by your former federal counterpart, John Fraser. In fact, need I remind the minister that John Fraser has come out as one of the leading federal spokesmen against the export from Hydro to GPU, as I read his comments?

Anyway, I want to get back to Mr. Macaulay's letter, in which he states: "I hope Canadians who wish to protect our environment realize that GPU's next alternative source for the power they need is older, dirtier coal plants in the Ohio Valley . . . that are among the worst offenders in contributing to acid rain in Ontario."

If Mr. Macaulay really wants to set the record straight, he should be more careful with the information he presents to us so that even the Premier of the province, who made the same argument on March 30, 1982, to a Canadian Club audience in North Bay, can ensure that his information is on as well.

First, Hydro submitted the following evidence to the National Energy Board: "Present projections of availability of coal-fired base load capacity in US systems west of GPU"—that is, in the Ohio Valley plants—"indicate that there may be little or no excess capacity in associated energy from those systems after 1990." In effect, that means it would not be able to fulfil the electricity requirements of GPU after that date.

Of course, as we all know, the export is for a period of much considerable length after 1990. From this evidence, you will note that GPU could not even get dirty coal-fired power from the Ohio valley plants. As a result, Mr. Macaulay's argument falters with respect to setting the record straight. Secondly, GPU had a total of six alternatives it was pursuing in order to obtain 1,000 megawatts of power.

I have a table here entitled "Comparison of potential purchase opportunities," which, if members want, I can show them. Anyway, based on relative savings to GPU as compared to obtaining power from the PJM interchange—where the PJM Interchange is a Pennsylvania-New Jersey-Maryland power pool comprising a group of utilities including GPU—Ontario Hydro's offer ranked not second but third in terms of cost effectiveness.

The first option was purchasing 1,000 megawatts of power from a typical mix of the Pennsylvania-New Jersey-Maryland power, a mix made up of 25 per cent nuclear, 25 per cent oil, 45 per cent coal and five per cent hydro-generated electricity. The annual savings to GPU relative to the PJM interchange power was \$375 million. The second option was purchasing 1,000 megawatts from Western Utilities, that is, the Ohio Valley plants, but the duration of such a purchase would be to 1990 as previously noted. The annual savings in respect to the PJM Interchange power was \$297 million.

The third option, as we know, is purchasing 1,000 megawatts of power from Ontario Hydro with annual savings to GPU relative to PJM interchange power of \$245 million. The fourth option was to purchase 1,000 megawatts of power from the Martins' Creek oil-fired generating station. The annual savings in that one was at \$188 million.

The fifth option was the purchase of 1,000 megawatts of power from the Tennessee Valley Authority's Susquehanna nuclear generating station. The annual savings to GPU for this was \$182 million. Finally, the sixth was to obtain 1,000 megawatts of the PJM interchange power.

From this outline of these facts—and I under-

line that—we note that in spite of the fact that Hydro's option ranked third on a relative cost savings basis, GPU liked the Hydro alternative for reasons of security of supply and the fact that there is a post-contract benefit of the cable interconnection.

Mr. Stokes: This is well researched. I would like to compliment you.

Interjections.

Mr. Kerrio: You guys had it one time.

Mr. Stokes: That is what I said.

Mr. Kerrio: Yes. That is right.

Mr. Stokes: I am just giving credit where credit is due.

Mr. Elston: I will just have to repeat those last two.

GPU liked the Hydro alternative for two reasons: security, because we have noted the problems of security of supply, and the fact that there is a post-contract benefit of the cable interconnection. In other words, there is a secondary benefit there to make sure that the connection is sustained if other interruptions result in the future.

A final point has to be made on this Ohio Valley issue. The atmospheric models of long range movement of air pollutants indicate sulphur deposition in Muskoka from Hydro plants generating 1,000 megawatts of coal-fired power will be six times greater than from an Ohio valley coal-fired station generating a similar amount of electricity. That means if we have 1,000 megawatts generated here by coal, we will get six times the fallout as opposed to any Ohio Valley fallout that has developed. Therefore the Ohio Valley plants will have one sixth the impact on Ontario lakes, and GPU could not get such power to 1990 and not 1995 as is the case in the contract with Ontario Hydro.

There is another fact that we cannot overlook in this whole argument of acid rain and GPU. This relates to another table Hydro submitted before the National Energy Board, which called Operating Companies' Statistics." This is the table here.

The General Public Utilities System is made up of three subsidiary companies: New Jersey Central Power and Light, Metropolitan Edison and Pennsylvania Electric. These three companies have a peak load of 31.838 gigawatt hours. Now 11 per cent of the fuel mix is from oil- and gas-fired generating stations, representing 3.5 gigawatt hours.

All of us are aware that oil and gas stations are more expensive to operate than coal or nuclear

ed based on such costs, GPU may want to
 ease operating these plants in the very near
 future. It may be just coincidence, but in the
 report agreement signed between Hydro and
 GPU, GPU has agreed to a penalty charge if it
 does not take 3,640 gigawatt hours of electricity.
 Those are very similar numbers. We have 3,502
 gigawatt hours being fuelled by oil and gas-fired
 stations and the penalty clause covers 3,640
 gigawatt hours:

We have to ask if it is merely coincidence that
 General Public Utilities has agreed to take that
 3,640 gigawatt hours of electricity, which would
 merely displace the 3,502 they presently gener-
 ate from oil- and gas-fired stations, or is it by
 design that GPU does not want to operate
 oil- and gas-fired plants in their system? In other
 words, are they using us to get rid of what they
 may consider to be difficult cost burdens to
 generate power?

140 p.m.

When one takes a second look, this raises a
 very important question as it relates to acid rain.
 In general, oil- and gas-fired stations generate
 between one half and one third the acid gas
 emissions of coal-fired plants. That means we
 are going to be replacing or could be replacing
 60 per cent of their generating capacity by
 coal-fired generating stations.

It appears to us that GPU merely wants to cut
 costs by turning off the more expensive
 oil- and gas-fired stations. As a result, the total
 acid gas emissions generated in the North
 American continent will increase overall. Since
 electricity will not be generated from coal-fired
 plants, and since the emissions will come from
 Ontario Hydro plants, long-range transport mod-
 els show there will be greater acid rain impact in
 Ontario. Certainly that likelihood exists from
 the models available now.

For all of these reasons and in the light of all
 these facts which were not included in Hydro's
 document, Setting the Record Straight, it is
 imperative this committee be given the oppor-
 tunity to hold a public hearing on the matter.

Another comment by Mr. Macaulay in his
 setting the Record Straight relates to the amount
 of acid rain for which the US is responsible. He
 states in that document, and I quote, "The USA
 responsible for between 60 and 88 per cent of
 the acid rain that falls in sensitive areas in
 Ontario." Based on information we have recently
 received from the minister in response to one of
 my Order Paper questions, Mr. Macaulay is
 wrong. Why the Minister of the Environment

has allowed Mr. Macaulay to make such erro-
 neous comments is beyond us.

For instance, according to the information
 from the MOE, US sources are responsible for
 42.9 per cent of wet deposition in the Muskoka-
 Haliburton sensitive receptor area and 57 per
 cent of the dry deposition in that region. For the
 Algoma region, the US is responsible for 42.3
 per cent of the wet deposition and 69 per cent of
 the dry deposition. For the Lakehead region,
 the US contributes 21.4 per cent of the wet
 deposition and 54.1 per cent of the dry deposi-
 tion.

Based on these three sensitive receptor areas,
 if one averages the deposition values, the US
 contributes 35.5 per cent of the wet deposition
 and 60 per cent of dry deposition. It is clear
 these numbers do not jibe with the 60 to 80 per
 cent figures Mr. Macaulay has put forward in his
 Setting the Record Straight.

Somehow Mr. Macaulay has put forward
 some very erroneous information and for this
 reason I think the committee is bound to hold a
 public hearing to deal with the question. Also in
 dealing with the issue, since we are dealing with
 the matter of acid emissions we have to consider
 Hydro's emissions prior to the control order
 coming on stream. As we know, the control
 order does not come on stream until January 1,
 1986. It is necessary for me to review what will
 happen prior to 1986.

It seems Hydro's ability to forecast acid gas
 emission levels ranks up there with Hydro's
 ability to forecast the future demand for elec-
 tricity in Ontario. A lot of us have some
 firsthand information on the ability to forecast
 demand.

In the acid gas control program third status
 report which we received in the last few weeks,
 in spite of the fact it was dated in February 1982,
 the report outlines some of the problems with
 Hydro's forecasting. I have some attachments
 here which are called "Total acid gas emis-
 sions," tables 1, 2(a), 1(a)(i) and 1(a)(ii).

For 1982 Hydro's forecast in 1981 was for
 589,000 metric tons, while the 1982 forecast is
 now for 607,000 metric tons. For 1983, the old
 forecast was for 525,000 metric tons; the new
 forecast is for 586,000 tons. For 1984, the old
 forecast was 388,000 metric tons; the new
 forecast is 401,000 metric tons.

For 1985, there are four sets of figures from
 Hydro. All of them add to confusion on the
 matter and show Hydro's ability to forecast
 emissions is questionable. For instance, in 1981
 the forecast for 1985 was for 465,000 metric

tons, yet the 1982 forecast was for 481,000 metric tons.

A table submitted by Hydro to the National Energy Board gave estimates of acid gas due to General Public Utilities, taking only 5,000 gigawatt hours of the total allowable 8,760 gigawatt hours. This table shows the sulphur dioxide emissions are expected to be 511,800 metric tons, the oxides of nitrogen emissions are to be 74,500 metric tons, with the total emissions being 586,300 metric tons.

I understand it is difficult to put all these figures in perspective when I read them off, but what I am showing is a substantial underestimation of the amounts of emissions generated year after year.

Another table submitted by Hydro to the NEB gave estimates of acid gas due to GPU, taking the total allowable 8,760 gigawatt hours. This table shows the sulphur dioxide emissions are expected to be 559,500 metric tons, the oxides of nitrogen emissions are to be 81,600 metric tons, with the total emissions amounting to 641,000 metric tons.

A quick reflection on the year 1985 will show the 1981 forecast was 465,000 metric tons, while the forecast for 1985 is 641,100 metric tons. The difference is 176,100 metric tons or a difference of 37.9 per cent.

The fact these forecasts are so vastly different, gives us some concern. These concerns are best satisfied by having this committee hold a public hearing concerning the proposed export.

Another matter that has received a great deal of attention is the actual quantity of SO₂ and NO_x emissions resulting from the coal being burned for the power export. That is something that clearly needs to be examined in a public hearing before this committee so we may appreciate the true environmental impact of this export deal.

Throughout the controversy on this matter, Hydro has always stated emissions directly related to this export matter were in the order of 50,000 metric tons. Environment Canada, on the other hand, estimates this will run closer to 100,000 metric tons, or double those estimated by Ontario Hydro.

It is interesting to note the minister himself had some words to say on this discrepancy. On March 18, 1982, he said: "As a result of the communications I and the staff have had with Ontario Hydro and the subsequent review of the figures by the staff of my ministry at my request, because of the disparity between the figures that had been used by Environment Canada and the

figures I understood Hydro to be using, our staff has indicated to me that the 50,000-ton figure is an accurate one."

Either the minister or his staff is unaware of the facts pertaining to the matter of Hydro. Hydro has submitted erroneous information to the NEB, because at the NEB Hydro submitted estimates of total gas emissions due to the GPU sale, as follows. These are a series of data starting with 1985 and ending in 1994.

I will read the respective tonnages for the years 1985 through 1994 inclusive: 129,500; 108,400; 113,600; 107,800; 87,600; 75,100; 67,100; 67,400; 88,400; and 70,800.

8:50 p.m.

Over this 10-year period the total emissions from this export contract alone come to 917,700 metric tons, or an annual average of 91,770 metric tons. This level of emission is much closer to the 100,000-metric-ton figure that Environment Canada talked about than the 50,000-ton figure that the minister's staff has indicated is correct.

Clearly the fact that Hydro argues in public with one set of figures that the minister's staff advises him is correct and presents completely different information to the NEB gives us reason for concern from an environmental standpoint.

For all of these very cogent and very critical reasons, I believe my motion deserves support from all sides of the committee. I think the public will be well served if they are able to have some input into the decision-making situation, not only from the point of view that they have, as it were, had their day in court, but so they can be sure the minister is able to take with him all the very necessary information which he needs to not only persuade his fellow cabinet ministers but also, from one standpoint or another, persuade various members of his own ministerial staff.

For those reasons, I have made this motion. As you know, I had tried earlier to have the annual report of the Ministry of Energy referred to the committee as well so we could deal with this matter. I think the matter at this time is less important than it was in April when the decision was finally made.

If, as the minister says, there is some concern over time, that no more delay ought to be tolerated at this stage, we ought to get down to hearing from the public, hearing their arguments, so we can be assured the necessary information is in the hands of the minister so his officials can take the time adequately to make representations to cabinet, so we are sure the

her he wins the day by preventing the export by attaching conditions that will bear up under scrutiny and will fulfill his prophecy of a lean export of power.

Mr. Chairman: Perhaps I could just comment; there are several people who have indicated they wish to speak on the motion before

Mr. Kerrio: I think there is a list.

Mr. Chairman: Yes, there is. It is right here. I could just remind members I certainly stand at your direction. I suspect some members might be disappointed if we spent the whole first evening debating this motion. The minister in session may perhaps wish to comment as well. Ask you to bear that in mind.

So far, I have Mr. Andrewes, Mr. Kerrio, Mr. Flynn and Mr. Charlton who have indicated they wish to speak.

Mr. Andrewes: Mr. Chairman, I would like to begin by reminding Mr. Elston that the decision of the National Energy Board was not the final decision. The GPU-Hydro sale, as we all know, underwent some rather rigorous public hearings at the National Energy Board. Perhaps the results of those hearings were not favourable to the members of this committee.

The National Energy Board itself is only the first step in many which that proposal must go through. I would remind all members of the committee that the GPU proposal will continue to undergo scrutiny, both by the federal cabinet and by the cabinet of this province. The National Energy Board did provide an opportunity for public input by both what Mr. Elston refers to as the prescribed public and by other members of the public who chose to intervene at those hearings.

There was some mention of the timing of this particular issue. Discussions on this issue, as Mr. Elston has indicated, have taken in the realm of 10 years now. I would just issue this word of caution: it is my understanding that this particular undertaking has some time constraints; there is a letter of intent signed by GPU with Ontario Hydro that a decision must be forthcoming in the relatively near future and there must be some indication to all parties that the project will have acceptance or rejection.

It was my understanding this committee had set up a schedule to deal with the estimates of the Ministry of the Environment. The minister himself is probably one of Mr. Elston's chief witnesses in what he would wish to see as a

public hearing. He has the minister and his staff here to ask the relevant questions.

I would also remind members of the committee that this set of estimates is soon to be followed by the estimates of the Ministry of Energy, at which time members would have further access to members of the government and to the Minister of Energy (Mr. Welch) himself with respect to this particular issue.

I would hope that the minister would comment on the legal opinions. I think this is an area in which the minister has some particular expertise, knowing his background, and I would hope he would give us the benefit of his experience and the information he has on that particular issue.

I need not remind members of the committee of the economic impact of this sale, the estimate of nearly 1,000 jobs that would fall to people in Ontario as a result of an approval for this installation. Some of those jobs would fall to people in the Haldimand-Norfolk area which would be of some economic value to that area. I need not remind members of the committee of the \$1 billion plus estimated revenue from this sale.

I need not remind members of the committee that Ontario Hydro, as Mr. Elston has mentioned, is currently under an order from the Ministry of the Environment to reduce its emissions by some 50 per cent. It intends to do this through the use of low-sulphur coal and through the substitution, where it is economical, of electrical energy purchased from other sources, namely Manitoba and the province of Quebec. It also proposes to reduce its emissions by the gradual substitution of coal-fired generation by nuclear-powered electrical generation and by the installation of scrubbers in one of its major coal-fired plants.

Having looked at all the evidence before us and the fact that the estimates of the Ministry of the Environment are before us, I would ask members of the committee to avail themselves of that opportunity to review this issue and that we proceed with those estimates.

Mr. Williams: Mr. Chairman, before Mr. Kerrio proceeds, just as a point of clarification. I presume this time runs against the estimates as a whole, does it?

Mr. Kerrio: No, we have not started the estimates yet.

Mr. Chairman: I believe we are here to consider the estimates. That is the reason we are here, so I believe it does.

Mr. Williams: You certainly alluded to that in your earlier comments, Mr. Chairman. I just wanted to be clear that this goes against the time allotted for estimates. Is that your ruling?

Mr. Chairman: Yes, that is my understanding.

Mr. Kerrio: Mr. Chairman, before I speak to the motion, I would like to make something abundantly clear, taking a phrase from your boss. Mark Rudolph has done a tremendous job for the Liberal caucus as it relates to research. I am not the least bit embarrassed; there are those in the government who would try to embarrass us by suggesting that we mouth the words of this very able young man. I want to tell you, it just points up what we would do if we had the resources of the government behind us; could you imagine what we could do in this area?

9 p.m.

Hon. Mr. Norton: I have always gone out of my way to pay tribute to the excellence of your research.

Mr. Kerrio: As long as that is understood. I want that clarified.

Hon. Mr. Norton: As a matter of fact, one honourable member on the committee tonight suggested that he might have a future in the ministry and I can assure you he would be quite welcome if we could only afford him. But, you see, the government is operating under conditions of restraint these days.

Mr. Kerrio: It is going to augur well for the people of Ontario to have him on the side of the Liberals, because Her Majesty happens to think that the official opposition does a very worthwhile job with people like Mark Rudolph.

Hon. Mr. Norton: But we do not have the research resources the official opposition has and therefore we have found it very difficult under restraints, the same as the government has.

Mr. Kerrio: To get to the business at hand, I think something very important should be brought to bear in this discussion tonight.

All of you here have heard of the decision by the National Energy Board as it relates to the export of natural gas in western Ontario. It used to be that the National Energy Board would talk about exports which were in the best interests of the people of Canada and of whatever province happened to be involved at the time. They used to talk about exporting natural gas, based on known reserves.

Mr. Stokes: There you are, fed-bashing again.

Mr. Kerrio: In this instance, they have no based exports on anticipated reserves. The other reason I am bringing that into this argument tonight is to prove that the cop-out by the provincial government—to go down to the National Energy Board, to circumvent reasonable hearings and to throw it in the lap of the National Energy Board and suggest the hearings have been adequate—is a gross injustice to the people of Ontario.

I hope the minister is going to reconsider his position, as the federal minister has. While the cabinet and the National Energy Board are discussing the whys and wherefores, and the pros and cons, of this particular export, the minister has seen fit to put the other argument.

In this province, we see fit to hire lawyers for the rankest criminal, so we are sure that both sides are fairly represented. I want to tell you Ontario Hydro, through the Minister of Energy decides to make a proposal to export power, I think it is the job of this minister to take the other side of the issue. He should argue very strongly and vociferously, in that position as the protector of the environment, to fight the Minister of Energy who, in fact, is only trying to justify the overbuilding of Ontario Hydro. There is no other argument.

The fact of the matter is the mistake has been made. We would feel better if Ontario Hydro were to own up to it and say: "Yes, that happened, not through any fault of our own. We just projected numbers and we didn't catch in time to realize that the economy took downturn and there was not going to be a need."

We need this minister to protect the integrity of the environment. I do not care if the Honourable Mr. Welch wants to make an argument to sell power to try to justify what he is doing, but would like this minister to stand strong and fight in his position and say to Mr. Welch, "No sir, Bob, you're going to sell power over my dead body."

[Laughter]

Interjections.

Mr. Kerrio: And then the Tories criticize for not creating jobs. The fact of the matter is

Mr. Villeneuve: That's why the last Liberal government went out of power.

Mr. Kerrio: Oh, now, Osie, there are many ways to create jobs. You could create jobs going to northern Ontario and starting to develop the peat and doing other things that are mer-

ful. You are not going to get anywhere with this tack, I agree with you.

[Laughter]

Back to the subject at hand. The fact of the matter is that Ontario Hydro has overbuilt. They have overextended themselves and now they are faced with the spectre of exporting good clean power to the United States of America while we then take the uranium wastes and all of the other things that go with generation of nuclear power.

We are going to take the acid rain from the plant that does not have scrubbers up in Gordon Miller's riding. We are going to do the things I think are only second to being hewers of wood and drawers of water. I think it is a gross injustice that they could even consider doing that is done here.

I hope, after this discussion tonight—and some members here on the government side would like us just to forget what we came to do tonight and talk about getting on with the estimates. Well, baloney to the estimates, because this is much more significant and important to the future of the children and future generations of Ontario as it relates to us selling out and letting the acid rain fall on us as it will.

They are doing many other things that are just difficult for me to buy. They are talking about using hydrogen as a means of propulsion for some of our units. That's another cop-out, because it takes three to four units of electrically generated power to make one unit of power as hydrogen. That would be a nice way for Ontario Hydro to get out from under their tremendous overbuilding: the use of hydrogen. They are using all other kinds of involvement to get themselves out of what is the reality of the whole picture.

I hope the minister will decide, in this great democratic process we have that was sent down from Westminster all those long years ago, that in order to give the people a fair shake you are going to give the Minister of Energy equal time, that you are going to get up there and say, "No, that's not the way it's going to be."

Now I am going to talk about what Mark Audolph has written for me. How do you like that? I thought I would do a little solo work to show you that, while Mark is very important—

Hon. Mr. Norton: After this soul-searching, is this his thesis on the harnessing of hot air?

Mr. Kerrio: I shall tell you something about harnessing that is very important and dear to my heart. In Niagara Falls we harness hydraulic

power, and I am going to tell you something: Quebec harnesses 99.5 per cent of its hydraulic power and it has not seen fit to emit all kinds of acid rain and nuclear contaminants. As far as hydraulic power is concerned, those people are smiling.

I am smiling about the 33 per cent that we generate hydraulically. If the minister was on the job we would be generating a great deal more than 33 per cent of our power hydraulically; many hundreds of small, low-head sites across the province would allow us to develop power in a given region without stretching power lines all over and taking good farm land—and this is very important; that is what they are doing, taking good farm land to stretch these wires all over the place.

Hon. Mr. Norton: Mr. Kerrio, if I might just interject for a moment. Have you or your researchers taken the trouble to look at the overall emissions of sulphur in the province of Quebec, and at the patterns over the last number of years, as compared with what has been happening in Ontario? It might be an enlightening exercise for your researchers.

Mr. Kerrio: From what source?

Hon. Mr. Norton: From all sources.

Mr. Kerrio: In Quebec?

Hon. Mr. Norton: Yes.

Mr. Kerrio: I was on that task force as it related to the Welland Canal.

Hon. Mr. Norton: And they said they didn't have any, is that what you're saying?

Mr. Kerrio: I was with the Minister of the Environment down there.

Hon. Mr. Norton: Yes?

Mr. Kerrio: I told him he had better get ready, because you were ready to spew on him again. He said he was going to write to you about that.

Hon. Mr. Norton: He already has. He is following your advice, but did you give him any advice as to what to do at home?

Mr. Kerrio: In Quebec?

Hon. Mr. Norton: Yes.

Mr. Kerrio: What are you talking about?

Hon. Mr. Norton: I am saying that Ontario is setting a fine example for other provinces to follow, and Quebec is just becoming aware of the example we have set and are following.

Mr. Kerrio: But they are not creating any acid rain from generating electrical power.

Hon. Mr. Norton: No, well, we are talking about—

Mr. Kerrio: Inco?

Hon. Mr. Norton: I am talking about the overall sulphur emissions. Have a look. I can give you the figures. I do not have them right in front of me but I can get them.

Mr. Kerrio: Mark, do we have any information on that? Would you get it for me while we are talking? I shall be here for a while.

Hon. Mr. Norton: A little historical information as well, on both sides of the border.

Mr. Kerrio: Mr. Chairman, there are a lot of interruptions here and I am the last person to interrupt anyone else when they speak. I think you have noticed that.

Hon. Mr. Norton: I have the papers. These are the Rudolph memoirs.

Mr. Kerrio: It is imperative for this committee to initiate a public hearing concerning the proposed Ontario Hydro-GPU exports, for the reasons outlined by both myself and my colleague, the member for Huron-Bruce (Mr. Elston), and for other reasons.

What I would like to discuss now, Mr. Minister—and you will appreciate that why I have to read this from the record is because it is on the record and it has to do with the hearings at the National Energy Board.

For the information of the minister and the members of the committee, these comments were made by Mr. Nisbet, the counsel who acted on behalf of Environment Canada at the National Energy Board hearings in January. His comments are from his final summation to the members of the National Energy Board. These are very important questions and comments and make a public hearing by this committee all the more compelling.

9:10 p.m.

I quote from the National Energy Board record: "Our position is that the evidence presented to you in relation to the environmental effects of these applications is at best equivocal and at worst is virtually nonexistent or unreliable. My review of that evidence will seek to persuade you that the evidence of the applicant falls significantly short of establishing compliance with the standards we urged the board to adopt. At best, the evidence leaves several important questions unanswered relating to environmental protection with which this board must be concerned.

"First, the estimate of social cost of emissions

from fossil-fired stations operated, or to be operated, by Ontario Hydro for the purpose of fulfilling its intention in relation to these applications are either not estimated at all, or are inadequately estimated. The estimates of social costs do not include estimates of the chronic effects of ill health from exposure to low concentrations of air pollutants, although the witness agreed that the general consensus is that there is an association between oxides of sulphur and particulates in the atmosphere and measurable ill health particularly when those two substances exist in combination.

"The cost of health effects were admitted to be impossible to calculate with any accuracy. Nevertheless, a rough estimate was given at around \$275 per gigawatt hour.

"The methodology used to estimate social costs for damage to building materials has only been recognized by a single scientific group in Canada.

"The estimate of social costs for damage to crops and forests were placed at zero." At this point I must stop for a moment, Mr. Minister because our critic of agriculture, who I am sure most people would admit does a very good job and is very dedicated, has shown to us many figures that would indicate there is much more damage to crops and forests than was first anticipated and those numbers are just unfolding before us.

"Apparently there is not enough research data available to estimate such costs, although such research as is available indicates change have occurred to crops and forests from ozone and sulphur dioxide.

"The impact of selenium on crops was not recorded for study. Nevertheless this was given a zero social cost, simply because it could not be measured. Social costs of damage to domestic animals did not include a study of the impact of fish or the impact on animals of selenium deficiency, although it is admitted such deficiency leads to white muscle disease.

"The environmental studies did not include the effects of emissions on ozone, notwithstanding the admission that ozone is affected by the combination of oxides of nitrogen and sunlight and the admission that oxides of nitrogen could have a bearing on the ozone level and that Ontario Hydro fossil-fired plants produce oxide of nitrogen emissions.

"Mr. Rennick stated, at page 6-7 of the Panel 6 evidence, that 'decreased growth in pine observed over a 20-year period suggests that acid rain merits strong consideration as a factor

relating to such growth,' but that no economic losses were calculated. The question is, how can social costs be said to be zero if losses cannot be calculated?

"Mr. Rennick referred to a German study at page 6-8 of the direct evidence of Panel 6 that states, 'Acid precipitation has hindered regeneration of growth of the stand.'" They must be planting in Germany; I do not think they are here. That is why they are not worried. The new minister over there is probably not planting enough trees to worry about the fact that it has hindered regeneration of growth. That is ongoing; you know that.

"The question is, how can zero cost be assigned for vegetation losses? In my submission it simply cannot be said there are no social costs, only that they have not been measured.

"Mr. Rennick states at page 6-8 of the Panel 6 evidence that, 'no assessment of economic damage to agricultural crops was attempted.' Again, the question is, how can the cost of such damage be set at zero? This does not mean there are no such costs, only that they have not been measured. I would refer you to the transcript on page 298.

"Mr. Rennick, at page 6-9 of the Panel 6 evidence, says, 'Long-term effects are undoubtedly occurring and long-range effects are distinct possibilities,' meaning effects on vegetation. However, no damage is assessed simply because it is not assessable. It may very well be occurring.

"Dr. Lees, at page 648 in the Panel 6 evidence, or in the transcript attached to the direct evidence of that panel, states that consensus exists that there is an association between pollution and measurable ill health effects. Here I refer to page 303 of the transcripts of these proceedings.

"At pages 648 and 649 of the Panel 6 evidence, Dr. Lees states that it is not possible to measure at this time the ultimate effect of acid precipitation on health, but he agreed there is a possibility of ultimate effect, even though it may not yet be measurable.

"At page 649 of the Panel 6 evidence, Dr. Lees states that in Ontario air pollution levels have been consistently lower than in the US or the UK. The question arises as to whether this means they are still lower anywhere in Ontario, or at least in metropolitan areas where population density may be comparable to the US and the UK.

"At page 650 of the Panel 6 evidence, Dr. Lees suggests that a correction factor is required for

the application of US and UK data to Canada, and that this correction factor is unknown at present. The question arises, how can one conclude that this foreign data exaggerates the impact of air pollution on health in Ontario, in particular in metropolitan areas where population density may be comparable to that of these two countries?

"Dr. Lees admits, at page 650 of the Panel 6 evidence, that the effects of air pollution in Ontario cannot be estimated with any great accuracy. The question arises, how inaccurate are the estimates given?

Dr. MacKenzie, at page 651 of the Panel 6 evidence, worked with Dr. Lees, who has admitted health costs cannot be estimated accurately. The question arises as to how Dr. MacKenzie arrived at the range of zero to \$275 per gigawatt hour as the health costs.

"Drs. Lees and MacKenzie included only direct costs of earnings lost by those losing working time due to air pollution disease. They did not include those most vulnerable to air pollution disease; that is the very young, the chronically ill and the elderly. Including these groups in the definition would have a significant impact on the health burden.

"At page 656 of the Panel 6 evidence Dr. MacKenzie admits that these important aspects of the health burden calculations have not been done.

"Mr. Rennick, at page 670 of the Panel 6 evidence, states the overall conclusion that there is not enough research or evidence as to the cost of damage to crops and forests, and he therefore puts those costs at zero, not because they do not exist but because they are apparently unmeasurable at present.

"There is nothing in the definition of social cost to cover damage to the environment. The only social costs here are the direct cost to Ontario Hydro.

9:20 p.m.

"I would like to summarize my submissions and state my conclusions based on them, following which I would propose to reply to some of the submissions made by my friend, Mr. Genest.

"Approval of the application without adequate emission controls will result in an increase in SO₂ emissions. The testimony indicates that in 1985, when the energy is generated for export, there will be an increase from 450 gigagrams to 510 gigagrams. That is a rough calculation. I give you a reference there to pages 219 and 220 of the transcript.

"Ontario regulation 7-82 requires a reduction

of SO₂ emission levels to 390 kilotonnes in calendar years 1986 to 1989 and 260 kilotonnes after 1990. That is a reference again to the transcript at page 196. Hence, there would be a transitory increase from the time the firm export of energy is to commence in 1986 until the control measures required by the regulation become operational.

"It has been stated in evidence that the emissions from the generation of energy for both domestic and export consumption would be kept below the 390-kilotonne level beyond 1985 to 1990. That appears in the transcript at pages 202 and 203. Emission levels would be lower without this proposed export. . ."

That is a very significant difference with what Ontario Hydro and the Ministry of the Environment and everybody else, including the Premier (Mr. Davis), is trying to tell not only the opposition but the people of Ontario. That particular point is very important. I should read it again. "Emission levels would be lower without this proposed export, but could also be lower than the current regulatory level of 390 kilotonnes if additional controls to the highest available standard were installed at other stations in the system."

"It is Environment Canada's position that these additional emission reductions are necessary for a number of reasons. Firstly, recent scientific information released since the board's May 1981 decision to approve the export licence indicates that sulphate levels in Ontario, Quebec and the Maritimes are well in excess of tolerable levels to protect aquatic ecosystems."

"In October 1981 the Canada-US Work Group on Impact Assessment established to develop the scientific basis for bilateral air quality acid rain agreement identified threshold levels of sulphates to protect sensitive and moderately sensitive aquatic ecosystems. The respective thresholds are zero to 10 kilograms per hectare per year, and 11 to 20 kilograms per hectare per year. The measured loadings in many sensitive parts of Ontario are 30 to 50 kilograms per hectare per year, well over these threshold levels as they stand."

"There are, in addition, a number of other natural resources affected by SO₂ emissions for which threshold levels have not been established but which are being, or may be ultimately, impaired or damaged. Much of the evidence provided with regard to the socioeconomic costs by Panel 6 establish a zero cost in damages for resources which allegedly could not be

quantified. There is reference to this on page 298 of the transcript.

"It was, however, acknowledged in the testimony that the inability to document the quantity is not to say there are not costs associated. It is Environment Canada's position that the yet unmeasurable damage and potential damage to living and natural resources could be substantial, and both remedial and precautionary measures are necessary."

"The Canada-US work group also established that the high levels of sulphate loadings are due mainly to SO₂ emissions from a multiplicity of sources. The testimony indicates that a quantifiable, direct causal relationship between particular elements and a single point, such as fossil-fuelled generating stations, is lacking. That is a reference to the transcript at page 300. It was also acknowledged, however, that it did not necessarily follow that there is no connection between all of Ontario Hydro's emissions and Ontario fauna. That is on page 302 of the transcript."

"Accordingly, as the environment is significantly overloaded now, and as Ontario Hydro is the second largest SO₂ emitter in Ontario, it is necessary that stringent controls be applied to SO₂ emissions generated by the energy exports. It is necessary that emissions from energy exports be controlled so as not to add or accelerate direct damage to the Canadian environment."

"Technological and other control measures to reduce emissions below the 390-kilotonnes ceiling are available, proven and reasonable. The effects of emission reduction considered reasonably achievable by proven control methods are contained in the National Emission Guidelines for Thermal Power Plants, dated April 25, 1981. While these guidelines apply only to new plants, if they were applied to existing plants the same type of emission controls would be required to attain a similar degree of oxides of nitrogen and sulphur dioxide reductions."

At this juncture, would it not be interesting to see what we could do with the investment in Suncor and some such investments if they were to be put into the controls necessary to reduce the emissions from some of those thermal generating plants?

Hon. Mr. Norton: Yes, it would probably provide, in total, two scrubbers.

Mr. Kerrio: And then we would export from those plants with the scrubbers and tell those

Yankee friends that as we put scrubbers on, we will sell them power.

Hon. Mr. Norton: We are already telling even a better story than that.

Mr. Kerrio: They would understand.

Hon. Mr. Norton: In all that you are saying you are ignoring particularly noticeably the regulation under which Hydro is already regulated and the targets they must achieve.

Mr. Kerrio: Would we not make scrubbers cheaper if we had a lot of those scientists who left Ontario Hydro to go to the United States and who designed some of those good scrubbers? Would that not be nice?

Hon. Mr. Norton: You and I were not even in the Legislature at that time. That was back in the early 1970s or even earlier than that.

Mr. Kerrio: Great Canadian initiatives, particularly based in Ontario.

Hon. Mr. Norton: That is right. The only thing one also has to bear in mind is there are other ways of skinning the cat. Symbolically I suppose scrubbers are important, but there are other ways of doing an equally effective job. Aside from the symbolic impact of scrubbers, one cannot entirely ignore the fact there are some attendant problems in sludge management and disposal associated with scrubbers.

Mr. Kerrio: One might even say the way to go is hydraulic.

Hon. Mr. Norton: If that would meet all requirements, sure, but that has its limitations. We have already seen—I have, at least—some initial indication of the problems that result from trying to do some of the small hydraulic projects.

Mr. Kerrio: What do you have against the Niagara Peninsula? All our designs are from Welland, Ontario. Of course, that is Mel Swart's riding, I understand.

9:30 p.m.

Hon. Mr. Norton: The reaction in one part of the province where a dam was proposed in order to provide power to a particular community was very strong. It was very negative towards it because of the impact the dam would have on the environment and because of the attendant flooding. The simplistic solutions are not as simple as they may appear when you get into them.

Mr. Kerrio: When I take your job I do not expect it is going to be all that easy. I know there are some problems. I will have to iron them out.

To continue the quotation: "Environment Canada's position on the degree of regulation is that the standard for pollution control must be equal to that specified in the guidelines for the equivalent effective capacity required to generate the exported energy.

"There are two main reasons for this approach. Firstly, the power will not be generated at one plant, so that at any particular moment the power and associated emissions will be generated from a number of plants." I think it has already been agreed that that may not even be thermal plants; it could be nuclear plants. Our former leader suggested that maybe if we take some electricity over to the Americans we should send them the nuclear waste with the nice, clean electrical power. That was not a bad idea.

"Secondly, each plant varies in design and proximity to alternative control measures. Accordingly, what may be cost effective at one plant and at one location may not be the most cost effective at another. Thus the approach we urge upon you provides Ontario Hydro with the flexibility to choose the most cost-effective means of achieving the same level of emission reduction, while at the same time meeting the objective of protecting the domestic environment and exporting clean energy.

"We submit that it is in the Canadian public interest that the true social costs of the emission damage be reflected in the price of the energy and thus be charged to the ultimate user."

Thereby is a very important aspect of that submission. We, as the official opposition, believe that of all of the things that have been discussed here, the most significant thing is that we do not feel that all of the charges have been considered in the exporting of that power.

Let me explain that. Very recently in some remarks about Ontario Hydro they made a comment that they did not realize it was going to take so many bodies to man nuclear plants, and they did not realize there was going to be significant public outcry to have protective mechanisms built in that were going to take considerably more people. We did not consider that we would be buying uranium at \$50 a pound when now it can be bought on the open market for half that price.

All of these things are significant as they relate to the costs of generating power. Then add to that the wastes in decommissioning the nuclear plants. We have not even decided what we are going to do with the nuclear wastes, with the spent fuel. The first bundle is still above the

ground. We are going to export power to the Americans through that GPU cable, we are going to try to estimate what it is going to cost to decommission some of these plants that are providing some of that power, and we are going to try to estimate what it is going to cost to get rid of the nuclear waste and all the other costs that as yet have not been significantly charged against that export.

It all points up that this is a grave error and the only way that it could be justified at all is if you can make that case, and you have failed to make it on behalf of the people of Ontario, if at a public hearing you could sell that to those people who might be intent on protecting the environment.

"Environment Canada supports Ontario Hydro's application, provided that in approving it the board adopts as a minimum condition for doing so the standard for pollution control equal to that specified in the National Emission Guidelines for Thermal Power Plants."

That statement points up that the National Energy Board has not taken into consideration those very things I have pointed out to you, and that should be very significant to you as the Minister of the Environment. They are not considering those things at all.

The guidelines were dated April 25, 1981, and refer to "the equivalent effective capacity required to generate the export of energy." The second condition is that "the true social costs of emission damage are reflected in the price charged to the ultimate user."

Given the chance to think about some of these points we have brought up, I am sure the minister might admit that he has not taken a stand to protect the environment, that possibly for cabinet solidarity or for whatever other reason we have gone the route of bypassing what could be the best environmental protection laws in Canada. The fact is that we seen to circumvent them at any juncture and get around them through a mandate that was given to Ontario Hydro.

Let us put that back on the record. Ontario Hydro had a very simple mandate. It was to supply power to the people and the industries of Ontario at the best possible price. That was a noble mandate. You cannot tell me that to save the overexpansion, the bad management, all of the mistakes that have been made here, you should expand what was given to them as a mandate to do a noble job.

You cannot expand that mandate now to attempt to justify those people who have decided

they should go to the nuclear option for 33 per cent of our generation, go to 33 per cent in thermal power, decide to finish some of the nuclear plants, export power; these things were never considered in the very initial stages of the mandate that was granted to Ontario Hydro.

It should be taken to the people, not only for the environmental impact it is going to have on the province, but for a major change in policy of this government that made that very clear. Hydro has been given a mandate that supposedly was to remove it from the floor of the Legislature so it could not become a political football, so that the Legislature could not decide in what direction Ontario Hydro should go.

That all went by the board when a former minister, Darcy McKeough, decided that Hydro should have the brakes put on it and withdrew substantial support from its funding. That just proved that the government could in fact direct Ontario Hydro whenever it chose to direct it, but in these cases when the government does not choose to direct it, it decides it should be the kind of a commission that should not be subject to any real direction from the Legislature.

Those points, one at a time, have been disproved. We know what has happened. It is obvious what has happened here and I have to tell you that it is just about time that the Legislature took hold of Hydro, its expansion, its complete move from the mandate that was given to it and now this business of subjecting the people of Ontario to tremendous increases of emissions.

Those comments were made by Mr. Nisbet who, as I told you at the outset, was the counsel acting on behalf of Environment Canada. I wonder, given the chance, Mr. Minister, if you realize what role Mr. Nisbet had to play and why we feel that you and your solicitors and representatives would not have taken the same stand. It appears that Mr. Nisbet was given a retainer to defend the position of the environment and that you have not seen fit to do that.

9:40 p.m.

It is because of these very points raised by Mr. Nisbet that I feel it is absolutely necessary for this committee to initiate a public hearing concerning the proposed Ontario Hydro-GPU export.

I hope, Mr. Chairman, on reflecting, that some of the members of committee might decide that the future of this province does not rest on taking a few dollars and leaving behind the terrible impact on our environment; that they will go back to their cabinet ministers. or

the Premier, and those people who are directing Ontario in what is a high priority, not come down here and just defend the government for whatever reason without thinking in terms of some of the points we have tried to make.

I hope some of them might decide that they are just not going to go on the defensive and answer some of the very pertinent questions as they relate to the expansion of the mandate of Ontario Hydro and what we feel is not in the best interests of the people of Ontario.

I would ask you, Mr. Minister, to reconsider your position, to put it before the public; let those people who have some knowledge of the impact on our environment make their case and if you can weather that kind of involvement—and if the government is intent on keeping faith with the people here on environmental regulations and laws that are on the books and that only need to be put into place—I would like to make that challenge to you, Mr. Minister, and keep the promise.

Mr. Kolyn: I would certainly like to begin—just to follow up on what Mr. Andrewes was saying—with the fact that I think jobs are a bit of a priority, not only in the area where this line is going to be built but certainly in the manufacturing area: the people in Peterborough, the electrical manufacturers who will be making a lot of these components. I feel, like a lot of people, that it is important for Ontario.

We have done a very admirable job as far as pollution controls and things of that nature are concerned. I had the opportunity of going to Chicago possibly six months back and talking to some of the people there with regards to pollution, how the Americans looked at things and how we looked at things. Quite honestly, I was quite shocked at how little they do down there.

As we are all aware, most of their plants are coal-fired, even the newer plants they have built are supposed to have the new mechanisms and new scrubbers. When I was down there, I remember one of the senators telling us that they opened this plant and they could not get it running.

It was about four months later, and millions of dollars later, that they still did not have it running properly, so they went back to the old coal firing. Some of the problems they had down there were basically in the Chicago area. They have high-acid coal and they were importing some low-acid coal as well as facing some severe employment problems with their own coal miners.

I still feel that Ontario's record as far as pollution control is concerned is enviable. Nobody anywhere in North America has come close to what we have done in this province and I commend you for it.

However, I feel that the federal government, in its wisdom, for whatever its reasons, had the hearings by the National Energy Board. Mr. Roberts has made all kinds of representations to the federal authorities in the United States and Mr. Reagan and his administration have chosen to ignore it. They are simply not interested in pollution control. It is as simple as that. There is no indication to prove otherwise.

I am saying to you we will do it and we can do it better than the Americans, because if they have to get that extra energy it is going to be obtained as cheaply and as quickly as possible for them. I feel that Hydro has some restrictions and in time we can meet all of the scrubbing problems we have.

I do not have much more to say about it. You mentioned nuclear power. I am really surprised, because France, in the last year or two, has been rushing to get a third of its power from nuclear sources. What we did 15 years ago they are rushing. They are having no hearings in Brittany and in all these other places where they are putting in these plants. They feel it is important to have this nuclear generation in place because by 1995 we may not have too much oil to burn.

Mr. Kerrio: They may not have any alternative.

Mr. Kolyn: Well, we do have an alternative. I am just saying to you that we have lived here in Ontario with a nuclear plant 15 or 20 miles away and I do not recall losing any sleep over it in the last 20 years. Our record has been very good. I am saying to you there is no jurisdiction, as far as I am concerned, as good as Ontario. We have put our money where our mouth is. Because if you go—

Mr. Kerrio: Mr. Chairman, on a point of order. I have to bring the member up short just for a moment. I never, ever mentioned any scare about the safety of nuclear plants. I did not say that. I just said there is a problem with getting rid of the waste.

Mr. Kolyn: There is a problem with pollution if you burn coal.

Mr. Kerrio: Yes, but that is important.

Mr. Kolyn: There is always the problem.

Mr. Kerrio: I do not want anyone to think—

Mr. Kolyn: All right.

Mr. Kerrio: I am in favour of the nuclear option.

Mr. Kolyn: All I am saying is that we have been sort of farsighted, and I think this can be done to the benefit of Ontario. Quite frankly, if the federal government agrees—and it seems that they have agreed—I think we should proceed with it.

Mr. Kerrio: Does that not scare you?

Mr. Charlton: I will obviously not go through long, prepared research notes since I do not have any. However, I have a number of comments I would like to make on this resolution.

First, I would like to say I am going to support the resolution and I would like to make a few comments that, even with all of the research notes, I think we have missed tonight in the discussion we have had to date.

Mr. Andrewes mentioned, for example, that the National Energy Board held public hearings and the public had full opportunity to have input into this matter. That is just not the case.

The NEB held public hearings, that is true, but I want to remind members, and I want the members who have been around this place for a while to think back to the development in this Legislature of the Environmental Assessment Act.

One of the things that act provides for—that was very consciously and very clearly decided by this Legislature—is hearings in the local communities that are affected by the major projects those hearings deal with. Prior to its hearings the National Energy Board was requested by numerous groups to move those hearings out of Ottawa and into the communities where the effects of that board's decision would be felt. I am sure Mr. Miller might want to make some further comment on that.

In reference to the National Energy Board hearings the minister on a number of occasions, or at least on one occasion in the House in response to questions from me, suggested that the citizens had their opportunity for input. One of the things that becomes very important in environmental hearings—or hearings of environmental concerns around a particular proposal—is not only the citizen's right to hop on a bus, a plane or a train and run up to Ottawa for half a day to dump a submission on bodies like the National Energy Board. One of the things that becomes very important in environmental hearings is the public's ability to fully participate in the process, to sit and listen to the submissions of others—including in this case

Hydro, and others who were supporting the Hydro proposal.

That did not happen at all in the course of the NEB hearings on this proposal, simply because those people who were concerned and wanted to be there could not afford to be there for the full hearing. That severely limits their ability to present a full package in a hearing of that sort. Because one of the things that environmental groups do, whether they be local citizens' groups or whether they be more broadly based environmental groups, is to sit and listen to the evidence and as well as presenting their own position attempt to respond to the other things that are presented in the crossexaminations that go on, and so on. I think the minister is well aware of this.

So the NEB hearing was not a full and satisfactory hearing in terms of those citizens' groups in this province which happened to be concerned about the GPU sale. It was very clear in their demands at the outset that they wanted the hearings moved. It is very clear from the level of participation which they were able to muster when the hearing was held in Ottawa that they have not been able to participate.

I think they have been touch with the Liberal caucus. They have most likely have been in touch with the minister's office. They have certainly been in touch with my office about their almost total dissatisfaction with the way that process worked.

9:50 p.m.

I want to remind the minister of this. One of the reasons why the question was asked of Dr. Parrott in the first place and one of the reasons why the question was put again to Mr. Norton—one of the reasons why the question was put relating to environmental assessment hearings under the Ontario Environmental Assessment Act—was very clearly because of those concerns and because of the citizens' wish to participate fully in any process that went on around the proposals for that sale.

Most of the people in this province who are environmentally concerned and who have been involved in the processes have some good feelings about the way that act operates when the process is put into place.

The minister has referred on a number of occasions, and repeatedly again here tonight, to the fact that there are now control orders on Ontario Hydro and that even with this sale Ontario Hydro is claiming that they will be able to meet the conditions, the numbers, set out in that control order.

I think in that argument the minister misses the point and Ontario Hydro misses the point. Certainly there are numbers in that control order. The numbers do not mean very much. The social and moral intent of the control order is far more important to the citizens of this province than the actual numbers.

Whether or not Hydro can meet those numbers by the deadlines in the control order is of little overall relevance to the real commitment to fighting the acid rain problem in Ontario. If without the GPU sale we can come significantly under those numbers, then that is what we should be considering. That is what we should be looking at in our overall approach to the acid rain emission and acid rain problem in Ontario.

Certainly the levels set in the control orders are admirable, but if we can come significantly under those numbers, then we have an even better goal to look forward to, as opposed to just writing off the question of whether or not we can meet those numbers even with this sale.

As my Liberal colleagues have pointed out at rather great length, there are a number of conflicting positions, facts and figures on the question of the problems that will or will not arise as a result of the proposed GPU sale. The public certainly has not been satisfied with the position that the NEB took or the position that the minister has taken here in the House in terms of assurances that this will be a clean sale.

I want to recall for the minister a statement he made some weeks ago in the House in relation to the Stouffville situation. When he announced the pending closure of that dump site and the approach that the ministry was going to take to secure that site for the future, a large part of his rationale for so doing was the public concern.

I want to remind the minister and all members of this committee that there is a little saying which kicks around, which we have all heard repeatedly: "Justice must not only be done, but justice must be seen to be done."

The people in the community of Haldimand-Norfolk and a number of other people in a large number of groups from around this province do not see what is happening with the way that the NEB handled this particular question, or with the way the government has backed away from its promise of an Environmental Assessment Board hearing of this matter, as a reassurance that there will be a clean sale or that justice will be done. In fact, they see the backing away from that original clear promise as a reason to doubt what is presently being said by the National

Energy Board, Ontario Hydro, and the Minister of the Environment.

I want to suggest to you that in my support of the motion that is one of the things I clearly see as fully necessary: the public's right to sit down and have the time to listen to the proponents, to question what they are saying and to have a full input, in terms of what they then feel as a result of having heard all of that testimony about the viability and the acceptability and the usefulness of proceeding with this particular project.

Until such time as the citizens of the concerned area, and other citizens' groups that wish to participate in the National Energy Board hearing, have that opportunity, they are not going to be satisfied, and the problem and the distrust is not going to go away.

Mr. G. I. Miller: I appreciate the opportunity of taking a few minutes of the committee's time to put a few things on the record in support of the resolution that has been brought forth by my colleague and our critic. I should like also to refer to some of the comments the member for Hamilton Mountain, Mr. Charlton, made.

We did ask that the hearing by the National Energy Board be held in the area so the public could participate. We wrote to the chairman and the reply we received stated that it was impossible to do it.

However, after making a small presentation on the opening day at the hearing, it came up clearly, in talking to members of the board, that it was not beyond their responsibility to hold some of the hearings in some areas, but it had to be in the area that was going to be affected. There had to be some request from a ministry such as the Ministry of the Environment, or from the local municipalities, which we did not receive.

I suppose the biggest criticism I have of the ministry is that at that particular hearing there was very little representation to bring out the facts so the public could be assured that the environment was going to be protected in their best interest. I have been critical of what the ministry has done, and will continue to be. We took the minister's word for it that clean power would be sold and that the people of Ontario would be protected through his ministry by the use of some mechanism which has not been clearly indicated yet.

I think the only clear protection which we can assure the people of Ontario is through the Environmental Assessment Act, which again we have asked many times be utilized to give the people the opportunity of participating.

I am as concerned as the member for Lincoln (Mr. Andrewes). As he indicated, we need jobs. We are using a plant, speaking of a hydro plant, that is the largest in the world, producing some 4,000 megawatts. It is just now that they are getting the bugs out of the plant; everything is coming on stream and working efficiently.

In order to get the return on the investment and to utilize—and I will agree that western coal has been utilized to cut down the sulphur dioxide, which is helpful. But I think that, again, we are making a sale here which is going to contribute \$7 billion in revenue, cutting the rate of increase in Ontario's electrical bills by an average of 2.5 per cent, which is significant.

I think also when we are making this sale we do have the opportunity to put scrubbers on the plant at Nanticoke as well as at Lambton so we can sell the cleanest power possible.

10 p.m.

I think the parliamentary assistant to the Minister of Energy has to be as concerned about the agricultural industry in his area, as I am in mine. They have had a good plan of studying the area through NEMP, the Nanticoke environmental management program, and the opportunity to record what happened before the plant came into operation and what has taken place afterwards, along with the management of the lake.

I think there is some evidence that there is more fallout in many places in the immediate area. The plan was that that the high stacks would disperse emissions in the air and would control them in that manner.

At Inco the plan was similar, to use a high stack and disperse the waste into the higher atmosphere, which in effect only sends it to other areas. I think there is evidence of that with the damage to the small lakes in Ontario. We all know what happened in the immediate area of Sudbury and we certainly do not want to see this taking place in our area, in southern Ontario, where there is some of the finest and most versatile agricultural land.

In my view, we have to take all the precautions we can. We have the opportunity to do that. If the scrubbers were installed—and as the minister has pointed out, it is going to take management to take care of that—there is going to be some waste, which is going to have to be dealt with. But as far as making jobs is concerned, long-range job opportunities will be greater with scrubbers than without them.

It only seems to make good sense to me, since we have mentioned 1985 and we have a three-year

lead time, to have an environmental assessment hearing, as has been requested by this resolution, and proceed with the plans to put in those scrubbers and sell the clean power, as the minister has indicated.

I have just one final comment. There are regulations applied, and Hydro is living within those regulations and intends to do so. But from the sale of this power there will, by Hydro's own admission, be 500,000 tons of emissions more than we would have if the sale did not go through. That is one more reason why we should be working to sell power that is as clean as possible and to give the local people some opportunity to have some input, not long drawn out but something that can be utilized quickly.

Furthermore, the minister has already brought in the new plan to shorten the time limit under the Environmental Assessment Act and other acts through overlapping. It would be nice to see the ministry using the legislation that was designed to protect the people.

Mr. Kerrio: You could build the scrubbers, sell them to General Public Utilities and then we will borrow them.

Hon. Mr. Norton: From FIRA? Does FIRA have any money?

Mr. Kerrio: We shall take it to the government then.

Hon. Mr. Norton: The Foreign Investment Review Agency?

Mr. Kerrio: Sure.

Hon. Mr. Norton: I did not realize they had any money to throw out.

Mr. Kerrio: Sure, you borrow money at nine per cent.

Hon. Mr. Norton: I did not realize that anyone was ready to give it to me.

Mr. Kerrio: Sure. They gave it to Bombardier at nine per cent.

Hon. Mr. Norton: Oh, I see. That was FIRA, was it?

Mr. Villeneuve: Mr. Chairman, this has developed into quite a controversy. Normally we are here to look over the estimates of the Ministry of the Environment and normally it is the minister who makes a statement first.

I appreciate the member's resolution. He is very sincere about it and certainly I would like to hear more of the pros and cons on it.

Vote 2103, the environmental control program, is extremely broad. I think that matter should have been brought up with your people there. I am not saying you are not knowledge-

able about your industry, but you have professional people here who could answer a lot of these questions to my satisfaction. We would follow it in context then and I think everyone would get more out of it.

Mr. Kerrio: That is the old rule.

Mr. Villeneuve: That may be, but on the other hand, I realize this is a very controversial issue and there is every reason to discuss it fully.

Mr. Kerrio: Let the people be heard.

Mr. Villeneuve: I am not finding fault with that, but take it when it comes into that vote and then we will all have a better turn.

Mr. Kerrio: A lot of people cannot be here. It is only us.

Mr. Villeneuve: The minister has nothing to do with selling energy.

Mr. Kerrio: Yes, he does.

Mr. Elston: He has everything to do with selling energy.

Mr. Villeneuve: He has control of it as far as the environment goes but he is not the man who signs the contracts.

Mr. Van Horne: Mr. Chairman, the point raised by the member for Stormont-Dundas-Glengarry has really touched on the main theme. Does the Ministry of the Environment have anything to do with the sale of energy?

If one were to suggest for a moment that it did not in this day and age, then I would have to submit that that person is not really cognizant of the role of the ministry in this issue. I am not going to reiterate the arguments made by my colleagues. Basically they are arguments of logic developed through our research which has been duly recognized this evening.

I think a moment or two might be well spent with the so-called purist editorial viewpoint which purports universally to be objective. I would like to read into the record a few comments that have been made in the last few months on this theme. The first submission is one which appeared in the Windsor Star. It suggests the confidence of the Ontario Minister of the Environment—that is yourself, Mr. Norton—in the proposed sale of electrical power to New Jersey will be a clean sale, is admirable. It goes on to say:

"Experience shows, however, that on matters environmental the statements of ministers in the cabinet of William Davis must be taken with the proverbial grain of salt.

"Norton was replying to Liberal Leader David Peterson, who expressed concern that figures

issued by Ontario Hydro in January to the National Energy Board showed acid rain emissions from coal-fired generating plants will average 91,770 tonnes annually over the next 10 years.

"The National Energy Board is now considering a request from Ontario Hydro for a licence to export 1,000 megawatts of electricity to General Public Utilities in New Jersey through a cable to be laid across the bed of Lake Erie. The power will be produced by coal-fired Ontario Hydro generators.

"The proposal has raised serious concerns among environmental groups and government agencies fearing a drastic increase in acid rain from the sulphur dioxide content of Hydro's coal-burning emissions. Already several thousand lakes in eastern Canada," not just Ontario, "have died or are in the process of dying as a result of acid rain.

"Norton has resisted opposition demands for an environmental assessment hearing in which the pros and cons of the proposal could be aired in public. He claims that federal legislation takes primacy in international energy deals. While ducking the crucial assessment hearing question, Norton tries to allay the legitimate concerns of the people by referring to the commitment Hydro has made to the government to reduce its overall acid rain emissions by 50 per cent by 1990.

"Hydro's coal-fired generating plants are already the cause of 20 to 30 per cent of atmospheric acidity in Ontario. It is obvious that any increase in the amount of acidity in the atmosphere will result in a comparable increase in the amount of acid rain since the suspended sulphur dioxide particles mix with moisture and fall to earth as rain.

"There is nothing 'clean' about it, as the damage to lakes, agricultural lands," Mr. Villeneuve, "and livestock attests, no matter what Norton says.

10:10 p.m.

"It stands to reason that it would be easier and cheaper for Ontario Hydro to cut a given amount of its emissions in half by 1990 than it would be to reduce by half in that time emissions of far greater proportions.

"Up to now, Ontario Hydro has appeared to be a power unto itself, operating and setting rates outside of government control.

"In view of that record, it would seem foolish for anyone seriously concerned over the effects of a possible increase in acid rain in Ontario to

rely on the cabinet for the restraints Hydro itself is unwilling to provide."

The only other comment of an editorial nature—and again I repeat that they are supposed to be the purists and the objective ones in our community—comes from the Kingston Whig-Standard earlier this year:

"Ontario Environment Minister Keith Norton has been strangely silent on the issue of Hydro's proposed export of power to the United States. After all, Norton is the leader of the anti-acid-rain campaign that Ontario and the federal government have been conducting in the US, and we might have expected him to be vociferous in his condemnation of Hydro's plans."

Hon. Mr. Norton: Excuse me. I would like to ask how the gentleman who I presume wrote that proposes to do what he is advocating in his editorial—and you described him as a purist—at the same time that he is advocating almost absolute nonintervention on the part of government and elimination of taxes, except for voluntary five per cent contributions. There is some inconsistency in the logic there.

Mr. Van Horne: Maybe a letter from you would elicit a response on that question.

Mr. Kerrio: Maybe he is only an environmental purist.

Mr. Van Horne: Carrying on with this comment: "In producing electricity for export in its coal-fired power stations, Hydro will also produce more acid rain." The minister may choose to quarrel with that.

"And once the American proponents of deregulation get hold of this lovely piece of irony, they can blow Canada's campaign to smithereens." That is a comment that is worth noting.

"We can hear them now: 'Oh ho,' they'll gloat to the Canadians pleading the anti-acid-rain cause, 'you're the do-as-I-say-not-as-I-do guys.' And the Canadian campaign could lose all further credibility.

"But surprisingly, Norton has stayed well away from the issue, only making a vague commitment some months ago to a public hearing to discuss environmental considerations. Details, he promised, would follow.

"We're still waiting for them, and we doubt that they'll be provided. That's because Ontario Hydro (whose record for accurately predicting future power needs and costs is not notable) claims that the sale to the US will mean big bucks to the province. Full environmental assessment hearings would not only delay the sale, but could well destroy Hydro's case.

"The federal and Ontario cabinets have still to approve Hydro's sale. Perhaps we should be generous, and assume that Norton has remained silent publicly while lobbying his colleagues privately."

In fairness, this article was from April 29 and perhaps you have accomplished all that lobbying between that time and now.

"But now that the National Energy Board has approved the sale—which it did—" that last week in April, "time is of the essence. Norton must declare sides.

"We can appreciate that this could make his life uncomfortable within cabinet circles, assuming he's against the sale, but by openly declaring his oppositions and the reasons for it, he might well swing public opinion behind him—ammunition indeed for dissuading cabinet from giving its approval.

"Open rebellion by Norton could also help federal Environment Minister John Roberts"—Roberts; that's a Freudian slip, isn't it?—"to press his case against the sale with his cabinet colleagues.

"Furthermore, it would also help expose the National Energy Board for the anachronism that it is. The board dealt only with financial and legal ramifications (in their narrowest contexts) when considering Hydro's planned export. In ignoring environmental and social ramifications, it indicated that it did not consider itself either equipped, or mandated, to deal with such essential issues. It thus illustrated that reconstitution of the board is long overdue.

"When Norton was given the Environment portfolio, he was unequivocal in his commitment to try to reduce the amount of acid rain falling on this province. He has since spoken frequently and vigorously about such a necessity, and he can claim credit for alerting new segments of both the Canadian and American population to the urgency of dealing with the problem.

"However, this is the first time that he's had an opportunity to prove the extent of his commitment. We're waiting for him to take that opportunity."

Let me submit, in closing these comments, that we did search for editorial comment throughout the province and we feel that these two submissions reflect rather accurately the broader base of editorial comment that has been evident in practically every newspaper in our province.

My own personal observation on this—I speak as a person in the community of London, Ontario, and I slipped on the John Roberts a few

moments ago; he was a neighbour of mine and I grew up on Thornton Avenue within two blocks of his residence on St. James Street.

There was another pair of notable Ontarians within a few hundred yards of the Robarts residence. One of them was Sir Adam Beck, whose family residence is at the corner of St. James and Richmond Streets, just a couple of hundred yards to the east of the old Robarts residence.

The other gentleman, who is still alive, the former head of the London Public Utilities Commission, Dr. E. D. Buchanan, is a person I consider to be a friend and mentor. As you may or may not know, I spent seven years serving the public utilities commission as an elected member in my community. I listened long and hard to Dr. E. D. Buchanan reflect on Hydro and its beginnings, to the role that Sir Adam Beck played and to the role that Ontario politicians played in supporting that utility.

Mr. Kerrio: A noble effort.

Mr. Van Horne: There was no question in anyone's mind that Hydro had all of the factors, all of the components of the most honest enterprise that ever came to be on this north American continent. Energy at cost for the citizens of this province, that was the basic mandate.

How times have changed. I can see Sir Adam pinning in his grave at this point as we get into discussions such as we are into right now. I do not intend to be an apologist for the minister or any elected member. If you cannot carry your own apologies, you pay the price when the bell rings at the next election.

But if we, as elected people, do not on occasion reflect on the advice given to us by civil servants—whose reason for being is very different from ours—then I would submit to you that we do not do a service to anyone.

In my view, your ministry—and, to a degree, the Ministry of Energy—is carrying the can for a handful of mandarins at Ontario Hydro, and perhaps in the two ministries involved, the ministries of Energy and the Environment.

As I perceive it, Hydro is bankrupt. It is certainly bankrupt financially and it is darn near bankrupt morally. If we do not sit back and take a look at what it is encouraging us, as politicians, to do, we are not serving Ontario very well at all.

It is time we took a look in the mirror and were honest with ourselves. If we can achieve some degree of pushing you—the government—in

that direction this evening, I think our time will have been well spent.

10:20 p.m.

Mr. Williams: I think all of the members of the committee without exception have a great deal of concern for this particular issue and that is obviously emphasized by the motion we have before us this evening. In a few moments I will come to the procedural aspects of the motion and why I think it is perhaps inappropriate to present a motion in this fashion.

Mr. Charlton: Mr. Chairman, could I ask that Mr. Williams perhaps try to speak up because I am having a little difficulty hearing him.

Mr. Williams: Just to recap what I had started to say, I think that all members of the committee on all sides are equally concerned with this issue as it relates to any environmental violations determined by the standards established by our own Ministry of the Environment. The members who have spoken to this motion tonight, rather than speaking to the principle of having a public hearing or not, have perhaps got into the merits of the whole issue and to that extent have extended the dialogue longer than we might have.

I think that is the real substance of the motion as to whether or not a public hearing should be held and whether it should be held using this committee as the forum. In order to reinforce the arguments in favour of it, as I say, both the mover of the motion, Mr. Elston, and his colleagues and members of the third party have spoken eloquently on some of the merits of dealing with the issue in depth. I suggest that none of the members of this committee would want to do anything else but consider environmental concerns, acid rain in particular.

Under the circumstances, Mr. Chairman, if the House has seen it to be 10:30 of the clock and has adjourned, I guess I have no alternative but to move adjournment of the proceedings of the committee and I will continue tomorrow morning at 10 o'clock.

Mr. Andrewes: Mr. Chairman, on a point of order: I am wondering if the clerk could inform us how many hours are left in this set of estimates.

Mr. Chairman: There are 13½.

Interjection: We haven't started yet.

Interjection: Oh yes, we have.

Mr. Williams: I asked the chairman about three quarters of an hour ago to rule as to whether or not the discussions this evening

constituted part of the estimates time and he said, "Yes, they do." I asked, "Is that your ruling, Mr. Chairman?" and he said, yes. You were not listening.

Mr. Kerrio: Well, I might have been talking.

Mr. Williams: You were.

Mr. Kerrio: That is my job.

Mr. Andrewes: Mr. Chairman, may I have an answer to my question?

Mr. Chairman: We have not adjourned yet so it is difficult to ascertain exactly.

Mr. Andrewes: Approximately would be fine.

Mr. Chairman: Thirteen and a half.

Mr. Williams: I move adjournment until 10 a.m. tomorrow.

Mr. Kerrio: Mr. Chairman, while we are speaking to that point of order, somehow you have made that determination. I do not think anyone on this side heard that determination made.

Mr. Williams: It is in Hansard. Look at Hansard tomorrow morning.

Hon. Mr. Norton: As a nonmember of the committee and an objective observer I heard it clearly.

Mr. Kerrio: We are going to have to speed up our presentation again.

Mr. Chairman: Is the motion to adjourn carried? That is agreed to. Ten o'clock tomorrow morning.

The committee adjourned at 10:23 p.m.

CONTENTS

Tuesday, May 25, 1982

Ontario Mining Association	R-89
Workmen's Compensation Board Annual Report, 1980	R-89
Estimates, Ministry of the Environment	R-89
Adjournment	R-112

SPEAKERS IN THIS ISSUE

Andrewes, P. W. (Lincoln PC)
 Charlton, B. A. (Hamilton Mountain NDP)
 Elston, M. J. (Huron-Bruce L)
 Harris, M. D.; Chairman (Nipissing PC)
 Kerrio, V. G. (Niagara Falls L)
 Kolyn, A. (Lakeshore PC)
 Miller, G. I. (Haldimand-Norfolk L)
 Norton, Hon. K. C.; Minister of the Environment (Kingston and the Islands PC)
 Stokes, J. E. (Lake Nipigon NDP)
 Villeneuve, O. F. (Stormont, Dundas and Glengarry PC)
 Williams, J. (Orillia PC)



Ontario

LEGISLATIVE ASSEMBLY

No. R-5

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Resources Development
Estimates, Ministry of the Environment



Second Session, Thirty-Second Parliament
Wednesday, May 26, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.



LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, May 26, 1982

The committee met at 10:12 a.m. in room 228.

ESTIMATES, MINISTRY OF THE ENVIRONMENT

(continued)

Mr. Chairman: I think we left off with Mr. Williams' remarks.

Mr. Williams: Mr. Chairman, last evening, as the committee wound down, I was trying to determine from the form of the motion before us, the motion by the member for Huron-Bruce (Mr. Elston) on the annual report of Ontario Hydro, whether it is one which the committee would or should not entertain at this time.

While trying to assess that situation from a procedural point of view, I did make clear that there may be some difference of opinion as to whether dealing with the Ontario Hydro annual report for 1980 as a means or vehicle to initiate a public hearing concerning the proposed Ontario Hydro-General Public Utilities export, would be the appropriate procedure to follow—using his committee, in fact, as the forum for that type of undertaking. I placed this question before the committee.

At the same time I pointed out that there is certainly no disagreement with the concerns that surround the environmental integrity of the project for which the opposition is endeavouring to establish a public hearing. I think members on all sides are equally concerned that the project—if it does proceed after provincial and federal approvals at the highest level—will take place, knowing that it is done with the blessings of the Ministry of the Environment and in keeping with the stringent environmental controls that have previously been imposed, and recognized and acknowledged by the Hydro authorities on a number of occasions.

The main thrust of the motion is, of course, to consider the initiation of a public hearing, but a number of the members, in trying to justify that course of action being taken, went to the very merits of the contract that is in question. As well, there was some far-ranging discussion and comment with regard to the main body of the motion, which asks for a consideration of the annual report of Ontario Hydro for the year ending December 31, 1980.

Therefore, I would like to put forward a few of my own observations and comments with regard to both of those matters before making a final personal conclusion on the merits of this motion.

Mr. Elston: This must be a long presentation. I see the minister is taking his jacket off.

[Laughter]

Interjections.

Mr. Williams: I always listen with respect to the comments made by some of the more moderate and thoughtful members of the official opposition, such as the mover of this motion, Mr. Elston, and also the member for London North, Mr. Van Horne. Consequently, I was a little taken aback last evening when I heard Mr. Van Horne, in an unequivocal fashion, speak of the financial status of Ontario Hydro as being a bankrupt corporation. I thought that was, to say the least, an imprudent remark, and one certainly not founded on a thorough analysis of the very report he was speaking to.

If I might, I would just draw your attention to one or two highlights in that financial report which I think would clearly indicate that the observation made by the member for London North is without any foundation in fact.

If one looks at the annual report in question it is clearly pointed out with regard to the financial position of Ontario Hydro that allowing for the \$160-million write-off of the Wesleyville generating station, Ontario Hydro's net income for 1980 was \$216 million, compared with \$268 million in 1979. This does, admittedly, indicate a decrease of \$52 million, but it allows for that \$160 million Wesleyville write-off.

The main point is that the total 1980 revenues were \$2.819 billion and revenues from the sale of primary power and energy in 1980 amounted to \$2.458 billion, an increase of 11 per cent over the previous year.

On the other side of the ledger, costs—excluding financing charges and the extraordinary item mentioned a moment ago—totalled \$1.768 billion in 1980 compared to \$1.646 billion in 1979, an increase of costs of only seven per cent compared to an increase in revenue of 11 per cent.

10:20 a.m.

I guess as far as accountants are concerned, the bottom line is always the matter of the debt-equity position of the company in question. It is pointed out in the financial statement of Ontario Hydro that the overall financial position of the corporation as reflected by its debt-equity ratio improved during 1980. The percentage factors show that the debt equity in 1979 was 0.848 per cent as compared to a lower debt-equity position in 1980 of 0.846 per cent.

These are some of the financial highlights that would suggest the off-the-cuff observation made by the member for London North were extreme, to say the least, if not intemperate.

What I would like to do is to come to the main thrust of the discussion last evening. Because there was so much put on the record suggesting that this government and Ontario Hydro were not keeping their commitment of ensuring a clean environment, particularly as it relates to the operations of Ontario Hydro, I think it is important that we put on the record some further information that puts the matter more clearly into perspective.

As the minister and his predecessor have said on many occasions, and it has been acknowledged by Ontario Hydro, there are probably three main polluters in the province as far as acid rain is concerned. One of those of course has been the very controversial but very significant industrial operation in Sudbury.

Mr. Laughren: They won't be polluting this summer.

Mr. Williams: Not this summer? It may well be from what I heard on the radio this morning.

Our own use of automobiles contributes significantly to pollution, as does the operations of Ontario Hydro. I think it has been acknowledged that Ontario Hydro perhaps contributes to the extent of about 20 per cent of the overall pollution problem within the province.

I do not think that even the altruists can assume that there will be a zero pollution factor from any one of those activities in the immediate or distant future. Certainly not only the indicators but the facts are that this government, through its Ministry of the Environment and through the directions it has issued and through the initiatives of Ontario Hydro itself, is showing the leadership that is necessary and that is unexcelled by any other jurisdiction anywhere on the continent.

I should point out that back in 1981 the minister's predecessor imposed very specific

restrictions on Ontario Hydro. I believe under Ontario regulation 73/81 made under the Environmental Protection Act 1971 Ontario Hydro's sulphur dioxide emissions were to be limited to 390,000 tons by 1986 and to 260,000 tons by 1990. Nitric oxide emissions were to be limited to 60,000 tons by 1986 and to 40,000 tons by 1990.

As I mentioned a few moments ago, Ontario Hydro clearly acknowledges that its fossil-fired generating stations do emit about 20 per cent of Ontario's sulphur dioxide emissions, but I have to emphasize that that contribution represents only about three to four per cent of the depositions in the sensitive areas of the province. Furthermore, between 60 and 85 per cent of the depositions of the sulphur dioxide emissions in these sensitive areas originate in the United States. I think that is a very important fact to bear in mind.

Based on the evidence available to us at currently as this month, Ontario Hydro has been working very ambitiously towards meeting the objectives they have advised the public they will attain, and therefore keep within the limits prescribed by the Ministry of the Environment.

In undertaking this 10-year program Ontario Hydro's main objective is to reduce the acid gas emissions from coal-fired generating stations. One of the very significant ways of doing this is by transferring the main thrust of hydro generation to its other options, which are the hydraulic and nuclear options.

The ongoing program of Ontario Hydro, as pointed out by my colleague the member for Lincoln (Mr. Andrewes) last evening, is that while the nuclear component and hydraulic and fossil fuel all represent approximately one-third each of the generating capacity of Ontario Hydro, with the completion of the additional generating capacity from Pickering and Bruce and the putting on stream of the Darlington facility, the capacity of the nuclear component will be increased from the present 30 to 35 per cent to as high as 65 per cent.

I believe that the Minister of Energy (Mr. Welch), near the appointed time in debate on this subject in the House had indicated that this is recognized by Ontario Hydro; that at the outset of this particular project, if it proceeds, the energy generation will be on about a 70-30 ratio from the Nanticoke fossil-fuelled generating station and the Bruce hydro-nuclear facility.

He did, however, indicate at that time that over the 10-year lifespan of the project those percentage figures could become reversed. I

believe that Ontario Hydro itself considers the fossil-fuelled component of its energy production program as being the supplementary component and one that can be drawn upon when the system becomes overtaxed by a diminishing supply coming from the hydraulic and nuclear units. That is a factor to be taken into consideration as well.

What I really think should be put on the record to deal specifically with this particular project is some of the information that was brought forward from the chairman of Ontario Hydro back in February in response to a knee-jerk reaction from some of the politicians at the federal level who thought it would provide them with political fodder to go against this mininegaproject. They thought they might make some political marks for being against it, characterizing it as a high-pollutant project.

10:30 a.m.

In the short term, this project will be very job intensive and will provide upwards of 1,200 jobs. The price tag on the project as far as the Ontario commitment is concerned will be approximately half of the anticipated \$800 million of the total undertaking. Over the life of the contract we expect its total value will be in the \$1 billion range.

The federal members are quick to criticize without having all the environmental information about this project. They would be hard pressed to explain, after they have had such a dismal record of nonperformance in the megaproject fields of resource energy, how they would be the parties responsible for the premature demise of a project of this magnitude initiated at the provincial level.

Mr. Elston: I hope the member realizes when he is speaking like that he is including not only federal Liberals who he usually likes to bash a bit, but also people like the former Minister of the Environment, John Fraser, and a number of nonpartisan politicians at the federal level as well.

Mr. Williams: I am not being partisan, I did not mention any parties.

Mr. Elston: I am sorry. They were rounded together under the auspices of the chairman of the subcommittee on acid rain. It is an all-party representation. I apologize. In any event, it was an all-party plea being carried.

Interjections.

Mr. Williams: I would like to specify the points Ontario Hydro felt it needed to make, not in a defensive way but in a very factual and

objective way. The federal politicians' criticisms fell short when they were exposed to the light of a thorough and objective analysis. There are four or five points that must be put on the record.

One of the major allegations made by these federal authorities who appear to have acquired sudden expertise in this field was there would be increased sulphur emissions due to this New Jersey sale.

The Hydro chairman sent a letter on February 19 to one of the members of this committee whom you have identified, Mr. Elston. It was a public letter which I believe received wide circulation but as yet it has not been officially put on record here as far as the very meaningful and significant facts are concerned.

In responding to that allegation, the Hydro chairman made it clear Ontario Hydro's pollution reduction program would reduce emissions, including those caused by all export sales, from an estimated 600,000 tons this year to fewer than 300,000 tons by 1990. They must do this in any event to meet with the regulation I cited earlier in my comments. Hydro will be cutting its pollution in half over the next eight years.

The other allegation made was that there is a deplorable lack of scrubbers at the coal-fired thermogenerating plants in both countries and that Ontario Hydro lacks adequate emission control devices on our facilities. The chairman made it clear scrubbers will be available and that Hydro is designing and retrofitting scrubbers on two 500-megawatt generating units. This is the first time this has been undertaken in Canada. The capital cost, I might say, will be \$350 million. These scrubbers will go into service when the General Public Utilities sale becomes effective in 1985.

The chairman went on to point out they would also be installing low-nitric-oxide burners as well as burning more expensive and less available low-sulphur coal. He felt this, along with the advancing of our nuclear units which I detailed a few moments ago and buying hydro power from our Canadian neighbours, would reduce emissions from the coal plants by as much as 50 per cent by 1990.

Federal critics had suggested, as was suggested by some members last evening, that Canada will lose credibility in its environmental initiatives because some acid rain pollution will continue to exist in 1985 when this project proceeds. No one in his wildest imagination could suggest such a goal is achievable under any circum-

stances. As I said earlier and will reiterate again, what is important is that Ontario Hydro and the Ministry of the Environment are showing the leadership lacking in any other jurisdiction in addressing this particular problem in a very meaningful way.

Last evening, my friend the member for Niagara Falls (Mr. Kerrio) was making light of the fact that Ontario Hydro is becoming too dependent on its sales abroad and there did not seem to be much justification in having to make sales of energy to other jurisdictions. I believe the member was on the select committee on Ontario Hydro affairs at one point and I am sure was well aware of the fact that there is a continual interchange of power between the different jurisdictions on the North American power grid.

10:40 a.m.

He may have been one of the members of the committee who had an opportunity to be at the central distribution centre of Ontario Hydro in Etobicoke when the committee was there to see the magnitude of the exchange program, wherein Ontario Hydro is buying and selling power every day of the week in interchange with our friends south of the border and in our neighbouring provinces. So this is not unusual.

But over and above that constant interchange, to ensure that the North American grid is maintained at a safe level at all times, there are block sales of power made for the express purpose of providing additional revenue to Ontario Hydro when surplus energy is available. And why not?

For instance, very recently Ontario Hydro negotiated an agreement with the Niagara Mohawk Power Corp. wherein Niagara Mohawk agreed to buy 400 megawatts of electricity for 50 weeks from Ontario Hydro.

For Mr. Kerrio's benefit, I would point out that the New York utility will pay Ontario Hydro \$303,000 US per day under that single energy agreement, which went into effect on April 14. I would like Mr. Kerrio to go to his constituents and suggest that for some reason that type of arrangement to export clean power was not working in the interests of the people of Ontario and the people he represents.

If the official opposition is going to carry its argument to a logical conclusion, it could also say that the Canadian auto industry should not be exporting cars to reinforce its sales because the steel that is manufactured in Hamilton, Algoma and wherever else, and which goes into the manufacture of those cars for export, is one

of the major polluters and creators of acid rain in this province. Therefore, in order to reduce the emissions from Stelco, let us cut back on their production. One way to do that is to cut down the manufacture of cars made expressly for export to other jurisdictions.

There is the logic of the argument that the official opposition is making. It just does not make sense. Their argument might have some validity if it were a do-nothing situation as far as our minister and his ministry were concerned and as far as the attitude and position of Ontario Hydro is concerned. That is clearly not the case.

Hon. Mr. Norton: The same thing could be said for the pulp and paper industry.

Mr. Williams: Of course, there are many other comparable situations that one could cite.

The suggestion was made, again, that Ontario Hydro was endeavouring to make sales abroad to reinforce its financial position and because sales of energy and the use of energy in our own province were falling off. In fact last month, for instance, the peak demand on Ontario Hydro's system was estimated at 15.8 million kilowatts an increase of 13.3 per cent over a year ago.

Ontario energy consumption for the month of April was also on the rise with a 6.1 per cent increase to 8.5 billion kilowatt hours. So there is an indication, as well, that, as has been predicted by Ontario Hydro, there is a continuing greater consumption of electrical energy domestically.

Mr. Chairman, the arguments that have been put forward by the opposition in trying to justify this particular public hearing just do not hold up when exposed to careful scrutiny, if the arguments they have used are the sole basis on which they feel there is a need to hold a public hearing. Certainly, they have not given any credit or recognition to these gigantic initiatives of the Ministry of the Environment and to Ontario Hydro itself.

The indications are that Ontario Hydro will clearly meet its objectives and in so doing this project, as stated by the Ontario Hydro chairman, will lead to a reduction rather than an increase in acid rain during the 10-year life of the General Public Utilities contract.

Again, I would invite Mr. Kerrio and other critics of the opposition to go into their riding and explain that we are giving up a legitimate source of revenue to Ontario Hydro at considerable expense to those taxpayers, because it reduced their tax bills on the average over the past three years and have kept the Ontario

Hydro increases down by an average of 7.9 per cent over each of those three years.

I would like them to explain to their constituents that because they cannot reduce the amount of acid rain fast enough, we should forget the sales of energy abroad. I just do not think that the people they represent would accept that argument at all.

Ontario Hydro is the second largest utility of its type in the world. I believe the Tennessee Valley Authority is first. Certainly, Ontario Hydro is regarded as a world class utility, and is ranked as number one by many around the world—and understandably so, when we relate to the initiatives that are being undertaken by Ontario Hydro on this one single project, as an example. It is a mini-megaproject. Should this mini-megaproject be shot down, it is not billions of dollars, but it reaches into the billion dollar range.

Mr. Elston: That is just an ordinary project?

Mr. Williams: No, I think it is a little bigger than a—

Mr. Elston: A little bigger than a mini but not as big as a mega.

Mr. Williams: It can fit into the mega range, let me put it that way.

Interjections.

Mr. Williams: It would be not only a tragedy but a travesty if, at the political level, it was decided to shoot down this project that is of such great economic significance to the people of Ontario, particularly when an objective analysis of the project both from a feasibility and environmental point of view was given careful, weighted consideration by the National Energy Board.

10:50 a.m.

If you look at the findings of the board, they go out of their way to be complimentary to Ontario Hydro for the initiatives taken by that utility in addressing, as part and parcel of a posting of this project, very significant containment of the pollution factor.

Mr. Chairman, some of the facts I felt had to be put into the record, give a little clearer and more realistic perspective to the comments made last evening over a period of two and a half hours. I know someone is suggesting this is a filibuster, but when I consider the 15 or 20 minutes I have taken compared to the two and a half hours of debate last evening, by no stretch of the imagination could we consider this a

filibuster. It is setting the record straight. I think it was necessary.

After having put some of the merits of the argument on the record from this perspective, we then have to address ourselves specifically to the motion before us. It is clear this committee has been mandated to do certain specific things: at this point, it is to deal with the estimates of different ministries and in particular, to deal with the estimates of the Ministry of the Environment.

Accordingly I think it would be inappropriate to deal with the Ontario Hydro and General Public Utilities export contract at this time, and most certainly not through this committee. No significant arguments have been put forward suggesting there is an emergency need for any public hearing to be established. If the minister received further information that significantly changed his thinking or his attitude, surely he would take those initiatives. He does not have to be encouraged or reminded by the opposition members of this committee to carry out his responsibilities given any information that would warrant any intervention.

I can only conclude that this would be the inappropriate forum for us to initiate a public hearing concerning this particular project. I think the primary and the immediate responsibility of this committee is to deal with the estimates of the Ministry of the Environment.

I will conclude by drawing to the attention of the members of the opposition that in vote 2102 there is more than ample opportunity for the members of the committee to elicit a great deal of useful information from the minister on this particular subject.

You will note—and my colleague Mr. Villeneuve brought this very point out last evening—under item 2 of vote 2102, air resources activity, there are a number of areas that relate specifically and directly to this project. For instance, there is reference to the Nanticoke environmental management program.

Under air resources activity there is assessment of new technology relevant to pollution control and there is provision for a study of acid precipitation in Ontario. That includes terrestrial effects and long-range transport modelling of atmospheric precipitation. These are just two or three of the very specific items that can be discussed quite properly under item 2, air resources activity.

I am sure the minister will take initiatives in addressing himself to those areas of concern and particularly as they relate to this contract.

There is no one who is more concerned with regard to the environmental effects of this particular project than the Minister of the Environment. I am sure he will not have to be encouraged to talk about this item. He is probably just champing at the bit to get at it in a proper fashion, when we deal with the matter under the appropriate votes of the estimates.

Accordingly, in conclusion, I cannot support the motion before us this morning.

Mr. Elston: I thought we had convinced you. I see we have failed again.

Mr. Laughren: Mr. Chairman, I do not understand, given the remarks of the member for Oriole and all of his assurances, why you would be even concerned about having public hearings if everything is going to fit as well as you claim it is. Why would you be opposed to public hearings if it will just justify decisions your government has already taken?

My support of the motion is a little different. I see it as a nuclear question, our dependency on nuclear power being a very important factor in this decision. The government has not convinced me that by exporting hydro generated in a coal-fired plant that does not mean we are going to depend more and more on nuclear-generated power in Ontario. I am very concerned about that.

Aside from the potential dangers of nuclear generation itself, there is the whole question of disposal of waste. If there is one area in which the people of this province have been bamboozled, it is on the disposal of nuclear waste.

The Ministry of Energy and Atomic Energy of Canada Ltd., through the federal Department of Energy, Mines and Resources, signed an agreement in 1978 and again in August 1981 in which they agreed to test drilling for the disposal of nuclear waste at two specific sites in northern Ontario. Southern Ontario was specifically excluded from those test sites because one of the areas that would have been appropriate was the Kingston area. Of course, the Ontario government would not have anything to do with the test drilling for the disposal of nuclear waste in the shale rock of the Kingston area.

They did what AECL is doing. Out of one side of its mouth, it is saying, "We will not do test drilling in any part of the province without the agreement of the local citizens." So what do they do? In one of the sneakiest moves I have ever seen by any government on its people, they went into an unorganized area where there is no one to speak for the people, just outside the town of Massey. With the concurrence of this

government they said, "Well, we are going to test drill just on your doorstep in the water shed," which in this case supplies the water for the town of Massey.

The town of Massey took a plebiscite. They were turned down by the Ontario Municipal Board to have it recognized as an official plebiscite, so they did their own and 88 per cent of the people in the town were opposed to that test drilling site. This government did not speak up for the people of Massey and tell AECL to take their test drilling some place else, if any place.

When I see that happening and I see at the same time the export of power generated by coal, then I have a sinking feeling that we are becoming increasingly dependent for our hydro on nuclear power. I feel there is a collective responsibility in a province like Ontario that the people who seem to think that hydro generation by nuclear power is just fine should at the same time accept the responsibility for storage of the waste on their doorstep, not just someone else's doorstep.

11 a.m.

That is not what is happening in Ontario. Those people who are so gung-ho for nuclear power would have nothing to do with the storage of nuclear waste in their community. Let it go some place else, like near the town of Massey, for example. I think that is an unfair way to get away with supporting a program—in this case, nuclear waste disposal.

Consultation does not exist. I would have thought that the Minister of the Environment should have had the responsibility to speak up for the people in Massey because of the potential threat to their water supply, but this ministry has been ominously silent on the matter. The federal and provincial members, both representing governing parties in the area, have supported the test drilling program despite the feelings of the local population.

That is most offensive, given the statement that Atomic Energy of Canada Ltd. would not go into communities where it is not wanted. So they pick an area that is unorganized and has no municipal council to speak up for the people where the drilling is taking place.

I have been very disappointed in the Ministry of the Environment for allowing that to happen. I would hope that by supporting this motion we could get public hearings which would lay out very clearly the facts surrounding the future dependency of Ontario on nuclear-generated power, and what that means in terms of accumu-

ated waste and the responsibility of the people in favour of an increased dependency on nuclear power to accept the storage of nuclear waste in their own communities.

Mr. Chairman: Mr. Minister, do you wish to reply to some of the questions that were asked of you throughout this debate?

Hon. Mr. Norton: Mr. Chairman, I will respond to some of the issues that were raised during the course of the discussion, both last night and this morning. I will expressly avoid discussing some of the more detailed matters relating to figures involving long-range transportation of airborne pollutants because I think they would be more appropriately dealt with during the course of our estimates.

I would like at the outset to say that I think Mr. Rudolph, with whatever assistance he has had from outside, has done a masterful job in the preparation of last night's speeches. I cannot attest to the complete accuracy of all its information but it certainly does represent a considerable effort.

Mr. Elston: Most of it came from the Ministry of the Environment, so we can't, either.

Hon. Mr. Norton: That I can attest to the accuracy of. There is something else that he has said that I think is worthy of note. He has certainly provided, at least, some moments of excitement for the press gallery on an otherwise very dull Wednesday. I am sure they are grateful for that opportunity to be here and to observe the workings of the committee.

Perhaps at the outset I could make one observation, and that relates to the timing of this resolution. Initially, I thought the resolution was intended to bring the annual report of Ontario Hydro before the committee to be dealt with concurrently with our estimates. I do not believe that to be the intention at this stage. Obviously, if that had been the intention that could have been a rather ludicrous situation.

I think it is important that the record show I and my ministry have for almost two months now been ready and waiting to begin our estimates. The government has also been ready. The members of the government caucus have been ready. We have waited almost two full months. We have a number of projected dates which did not materialize, and from which the opposition backed away at the last minute—taking away, I would point out, a considerable amount of time on the part of both myself and my staff from other responsibilities that we have in order to be prepared to proceed.

It mystifies me if, in fact, what is being proposed in this resolution is of sincere intent. At least during that two-month period the members might well have proceeded to deal with the Hydro report, rather than wait until we had finally got before the committee and began our estimates.

Now you are suggesting that we set aside the estimates after we have begun them and proceed with the Hydro report. I do not quite understand that strategy, unless it is intended to achieve something other than a careful examination of both the Hydro report and the expenditures of my ministry.

Mr. Laughren: Don't be silly.

Hon. Mr. Norton: No, I think it is obvious what the motivation is and I think it is rather ridiculous that this timing is what has been chosen by the members of the opposition. Rather than wasting the last two months, we could have given very thorough treatment to the Hydro report, if that was really what the intention was.

I would say though, having made that observation, that I recognize that I and the ministry are in the hands of the committee and it is the business of the committee to order their own business by whatever method and be motivated by whatever motivation they may deem to be appropriate.

As I said earlier, I do not want to deal with all of the substantive arguments or issues relating to sulphur emissions and the impact that various things might have upon deposition, whether it be wet or dry, in various parts of the province. However, during the course of the estimates I would welcome a full discussion of that under the appropriate votes.

The staff of the ministry, in addition to myself, will be available to deal, at whatever length the committee deems appropriate, with matters such as the computer modelling and the variation in figures as we become more refined and more sophisticated in the modelling we are producing. That specifically comes to mind as a result of some of the comments last night regarding the proportion of the deposition in Muskoka, Haliburton and Algoma that originates outside the borders of Ontario and more particularly from the United States.

I think that a discussion of those figures may be very helpful in terms of ensuring a full and complete understanding of both the accuracy of what was said previously and the accuracy of what is presently emerging from the application of the models. Those figures may again vary to

some extent, and I suspect moderately, as we go into an even more sophisticated phase of modelling which is presently under development.

There were some remarks made last night that I feel compelled to respond to, particularly as it relates to the history of the issue that has surrounded Hydro's proposal. Reference has been made repeatedly to the statement and the commitment made by my predecessor in the Legislature, and the reaffirmation of my position that was made in the Legislature subsequent to that, indicating that I did not vary from the position he had taken.

I do not back away from that. Under the circumstances that is quite accurate. All things being the same, my position would not have varied today, but circumstances have changed.

11:10 a.m.

The circumstance that has changed is the understanding of operative parts of constitutional law in this country. I think that neither my predecessor nor I, at the time that we were asked the question in the House, were aware of the interpretation that might be placed upon the doctrine of primacy as it applies to this particular issue.

Some suggestion was made that Ontario Hydro had received an opinion, from Mr. Genest, I believe, prior to Dr. Parrott's comment in the House. That may very well be, but I do not think for a moment that Dr. Parrott had access to the opinion at that point and I do not suppose that at that stage Hydro had even completed their review of the opinion internally.

I certainly was not aware of that opinion when I was asked about it in the House a year later. It was only subsequent to that that it emerged—treated, I might say, with some considerable scepticism on both my part and on the part of the Ministry of Energy, which is what gave rise to the Ministry of Energy seeking an independent opinion.

When that opinion agreed with the opinion of Mr. Genest, I still treated it with scepticism and sought a further independent opinion from the constitutional law office of the Attorney General. That opinion essentially concurred with the previous two.

It is important that we try to understand the effect of the application of that constitutional doctrine. The opinions are fairly clear and consistent. As I understand it, the effect, is that the Environmental Assessment Act of Ontario cannot operate so as to alter a decision of the National Energy Board.

So I suppose if one were to say, "Let us go

through environmental hearings and pretend we are under the act, that it operates and has legal force," and the recommendation was that this not proceed, as I understand it, that could not legally alter the decision of National Energy Board.

Where Ontario does have clear authority, and where it is unaffected by the doctrine, is under the Power Corporations Act. Prior to making any determination under that act—I believe of section 23; that may not be the correct section—the executive council of Ontario, the cabinet, clearly has a responsibility to fully advise itself on all issues relating to the question that is before it. I can assure you, as I have before, that it will be fully advised on all environmental issues as they relate to this matter.

One thing that I have said before and will say again is that, in spite of the pressures that have been and presumably still will be brought to bear upon me, I will not act in such a way as to breach my oath of office.

I do have strong opinions and views on this subject. Those views will be brought to bear upon the decision-making process, as it functions under parliamentary democracy with the tradition of collegiality and collegial responsibility for decision making. I will stand by the decision and I can tell you very confidently that I think the people of Ontario will be very happy with the decision that the government of this province makes.

The issue of public involvement is one which deserves some comment. You may recall the support that existed in the House approximately a year ago for the consolidated hearings legislation.

At one point during the development of this matter, I communicated with the National Energy Board to see if there was any possibility of trying to hold combined hearings. That turned out to be unacceptable to them. I then attempted to explore the possibility of the application of Ontario law in the course of their hearings. That turned out to be impossible as well.

However, it is clear, in spite of the interpretation that people may choose to place upon it, that the National Energy Board has not only a mandate but a responsibility to look at environmental aspects of any export—in this case, for example—or any undertaking.

I have no control whatsoever over the fact that certain groups chose not to appear at that hearing. I know they did so for certain strategic reasons of their own. In fact, I was approached

by some of them; they urged me to join them in the boycott of the National Energy Board hearings as a matter of protest.

I must say that when people make those decisions they have to live with them. I cannot rewrite the constitutional law of this nation in an attempt to rescue people from the consequences of their own strategic decisions. If I make certain strategic decisions I have to live with them and I think if they make certain strategic decisions they have to live with them. If they made an error, they have to live with that.

In the involvement of the public at the provincial level, again, there was an interesting phrase I heard last night for the first time, and I am not sure whether it was an invention of Mr. Rudolph's or whether it was an invention of the speakers as the evening wore on.

At the time I was not sure whether it was "proscribed public" or "prescribed public." I think it was "prescribed public," the implication being that the consultation process somehow was dealing with a very limited group of the public. At least that was my understanding of the use of term in the course of the debate last night.

Mr. Breithaupt: Actually, the other would mean the same too, would it not?

Hon. Mr. Norton: I just was not sure which it was. I would agree that both would probably lead to the same interpretation, especially in context. I think we have to be careful about being, at times, too taken in by the sometimes simplistic characterizations of processes by some individuals.

I want to preface what I am about to say by reiterating a commitment to the importance of public participation and public hearings, at least one set of public hearings. I hark back to the consolidated hearings legislation in this province, which was designed and supported by the Legislature in an effort to try to streamline the process so whenever a project was under consideration in this province, we were not facing an endless series of sequential hearings.

11:20 a.m.

In this particular instance, bear in mind there has been a public hearing. There has been a public hearing in which members of the public could have participated, some of the most active and capable groups to have participated strategically decided to boycott the hearing, for whatever reasons—it is their business, not mine. Now there is a suggestion that public hearings is the only way to go in the province.

I could sit here and talk about a prescribed public. I believe I could sit here and, without the benefit of too much advice from others, give you a list of probably 75 per cent of the groups that would appear at a public hearing if it were held in Ontario right now. If that is not a prescribed public, I do not know what is. I am not knocking that, but the point I want to make is there are other avenues of public participation in decision making. Let us not assume the only avenue is through public hearings because that is a terribly naive interpretation.

I would suggest the letters I have received—and probably in the hundreds—from people across this province, from people who would not dream of appearing and in fact would be intimidated about appearing at a formal public hearing, are more representative and a more broadly based public participation in this process than is a public hearing. Again, do not assume I am saying there should never be public hearings, but let us not get sucked into a simplistic interpretation of their importance, especially in a situation where there have already been public hearings.

Mr. Laughren: You don't even like environmental assessments.

Hon. Mr. Norton: Oh, I love them.

Mr. Laughren: Oh, sure. That is why you won't have them for forest management agreement.

Mr. Elston: There are a large number of exemptions.

Mr. Laughren: Yes.

Hon. Mr. Norton: We can get into that in the estimates.

Mr. Laughren: I agree.

Hon. Mr. Norton: We will give you the goods on those.

Mr. Laughren: The goods. You used the right term.

Hon. Mr. Norton: The right goods, too.

I think we run some risk of placing excessive, or in some instances perhaps exclusive, emphasis upon hearings as a method of public participation.

Interjection.

Hon. Mr. Norton: No, I think that is quite wrong. I reiterate, many of the individuals from whom you and I and others get letters on matters like this would not appear at public hearings.

I just want to summarize at this point. There are other avenues of public participation and

people are using them. There are public forums in which extensive discussion has taken place; in the media, for example. I have been on open line radio programs on several occasions discussing the issue. I know the chairman of Ontario Hydro has been, although I have not heard him, and I know that people with other views on the matter have been. It is not as if what is taking place is a closed process by any means.

I am sorry the members who were here last night are not here today, particularly Mr. Van Horne. He was reading extensively from newspaper editorials and felt editorial writers, at least last night, were among the most objective people in our society. I am not sure I would concur in that—

Mr. Laughren: Name one.

Hon. Mr. Norton: —and I am not sure Mr. Van Horne would on all days, but last night it seemed to suit his purposes. I am aware of what the editorial writers are saying and as I commented last night, I even know the editorial writer who I believe wrote that editorial from the Kingston Whig-Standard, which was so liberally—

Interjection.

Hon. Mr. Norton: That is right. After having said we are not going far enough, he is now leading a party with a policy that says there should be no government intervention and there should be no income taxes, and he is a former NDPer. I cannot believe the transition.

Mr. Laughren: Are you joining his party now?

Hon. Mr. Norton: No, I have no intention of joining his party.

Mr. Laughren: He does not believe in environmental assessment either, Keith.

Hon. Mr. Norton: Actually I thought he did. I thought he did, but I am not sure he can any longer, with his present political responsibilities.

I think you have to use the expression "prescribed public" with great caution. We want the broadest and most complete involvement of the public in this process, and I think that is taking place. If you focus only upon hearings, you will hear predictably from predictable individuals, not necessarily from a broadly based representation of the public. Those who wanted to participate in public hearings have had their opportunity in this instance.

The question of credibility in the United States was raised just in passing. I am not sure

whether that was last night or this morning; I guess it was last night. The cornerstone of credibility of this nation's position on acid rain in the United States is Ontario; let there be no doubt about that. Our case in the United States is based upon the competence of the researchers and the scientists who are working on this problem in Ontario.

If you doubt that, then go and talk to some of the most credible people in the United States, and you will hear it very quickly. It is fine for people to grandstand and say Ontario, which has made this case, which has built this case and on whose research this case is going to succeed, is now trying to undercut the nation's position on acid precipitation. Nothing could be further from the truth.

This province has consistently taken positions, both here and abroad, on the matter of acid rain that are well-founded and substantiated by the scientific data. That has not always been the case with other spokesmen from this country and elsewhere. I will stand upon the reputation of this government and this ministry on this issue in any forum in any country in this world.

You talk to the Swedes, you talk to the scientists in the United States, except perhaps those few who are hired and paid for by the coal lobbyists, and you will hear the same kinds of confidence expressed that I am expressing today. Our scientists are second to none and our credibility is second to none. This nonsense about our somehow jeopardizing—I can tell you there has never been a diplomatic note sent to the Canadian embassy when I appeared in the United States.

Mr. Elston: Were you asked to speak?

Hon. Mr. Norton: I certainly have, yes, on a number of occasions, and I will do it again.

I wish Mr. Kerrio were here today because I thought the position he was putting forward last night was most interesting. I did not know whether John Roberts was aware Vince had now become his spokesman in Ontario. I wonder if Mr. Kerrio thought he was putting forward the federal government's position or whether he was putting forward Mr. Roberts' recommendations to the federal cabinet or what it was. I wish he were here so he could let me know. But I think it will be a little while yet before I know what relationship his position last night bears to the federal government's position.

I do not know whether Mr. Roberts has actually called for hearings or not, but although he certainly called for some further environ-

mental scrutiny in Ontario, which I assure you is taking place, he has never communicated that to me. I do not know whether the official line of communication between Environment Canada and the Ontario Ministry of the Environment is now through the newspapers, but I will entertain Mr. Roberts' recommendations and reply to them once I have had some communication from him.

If I have something to say to Mr. Roberts, or colleagues in any other government in this province or outside, I do not normally choose to do it through press conferences. If that is the new style of federal-provincial relations in Canada, then I guess I will have to roll with the punches and adapt to the times, and I will do so. But if he has something to say to me I would welcome a communication. I have not received it.

11:30 a.m.

In closing at this point, I would simply say I would hope that the committee would, now that we have begun and got several hours of our estimates under way, continue to proceed with the estimates, especially since we have patiently waited for some two months.

I think that almost all of the issues that seemed to be of greatest concern last night, especially as they applied to the environment—aside from those policy issues relating to the distribution of electricity in this province, the policy relating to exports—those things obviously are not part of the estimates of my ministry. Perhaps they are, more appropriately, with the Ministry of Energy. But essentially all of the other matters are matters that we will be dealing with, I would hope, during the course of the next couple of weeks in the continuation of our estimates.

I would think it would serve the interests of the committee—and the interests of the rest of us in terms of getting on with this—if we dealt with those issues as fully as you wish. Then, if there are still certain outstanding issues as they relate to policy matters that you would like to discuss with the Ministry of Energy, or Hydro, I would recommend that you then proceed to deal with Hydro.

In fact, you may have a much more abbreviated list of issues to deal with at that point, rather than trying to explore all environmental issues and all of the policy issues within Hydro in the course of whatever hearings you may want to hold now. We can clear most of those things up in the next couple of weeks.

Mr. Elston: Mr. Chairman, since this is my motion, I wonder if I might comment on a couple of points very briefly and then get on with the question?

Mr. Chairman: The chair has shown a lot of flexibility so far, so I see no reason to change that philosophy.

Mr. Elston: Thank you very much, Mr. Chairman.

I have to digress just a second since the minister made a couple of points about whether or not my referral, or my motion, is one that is based on any degree of sincerity.

I can assure the minister and the members of the committee that since we have been putting the question in the House to the minister with respect to the matter of public hearings on the General Public Utilities sale, we have been bearing a very consistent thrust and there is no improper purpose.

Hon. Mr. Norton: I was not suggesting impropriety, I was just asking why you did not get on with it before now. You have had two months of inactivity in the committee while you were waiting for unanimous agreement to proceed with our estimates.

Mr. Charlton: We do not call the committee.

Hon. Mr. Norton: You can request it of the chairman if you have an issue you want to deal with.

Mr. Elston: In any event, all we were doing was to follow the instructions of the House leader of the government, the Honourable Mr. Wells, by asking that the annual report of Hydro be referred here. This is the first opportunity I have had. The referral had not been approved by the House for the period of two months, as the minister states.

I also have to indicate that there was some hesitation, I suppose, about proceeding with estimates prior to budget time. If the budget had been brought on, presumably all members of the opposition would have been prepared to go much earlier.

I was prepared to go ahead earlier, as you know from my communication with you, and I think it has to be put straight that the delay has not been precipitated solely by opposition people. I want to make that very clear.

Hon. Mr. Norton: It certainly was not precipitated by government.

Mr. Charlton: The budget was delayed by government.

Mr. Elston: The budget was delayed for a long time.

Hon. Mr. Norton: I do not recall it ever being an obstacle to proceeding before.

Mr. Ruston: Blame it on the Treasurer (Mr. F. S. Miller).

Mr. Elston: In any event, just let me get on with the summation, Mr. Chairman.

There are several points I made and none of those points has been answered to any degree by positions put by the government members.

The first point I wanted to make last night, and it is still a very valid one, is that there are a number of conflicting points put to the people of Ontario through Ontario Hydro, and from other sides. I think these are best resolved in a public forum by having a very open hearing process.

Hon. Mr. Norton: May I comment on that? If you are talking about emission levels and so on, we can deal with those in the course of our estimates.

Mr. Elston: There are a number of other questions, such as considering whether or not the Ohio Valley is a pollution source, or whatever; there are a number of items I wish to deal with under a hearing.

Hon. Mr. Norton: We should hold those during the summer. We can always travel down and have a look at it.

Mr. Elston: Those are always delayed situations. We have known for two years that this matter has been in the fire and nothing has happened. If you wanted to take a trip now to the Ohio Valley to test the air down there, I suppose that is within the ground of government authority. We will stand by the decision and direction of the minister and of the committee.

I have to also comment on whether or not the National Energy Board is actually a good area for sounding out environmental issues. I have to say, as I said last night, even though there was only one public hearing that hearing was held some distance away from where the impact will take place. That is in the riding of the member for Haldimand-Norfolk (Mr. G. I. Miller).

The member for Haldimand-Norfolk spoke last night about a request made to have hearings held locally, a request which was refused. That may have reflected on the ability of some groups to put in an appearance. Not all groups who would have liked to have appeared were able to handle the substantial costs in relation to sitting around and waiting for their turn to be called at these hearings.

There are a number of other issues. At the National Energy Board hearings, I noticed the person who carried the case for Ontario, presume Marie Rounding, was also the same person who provided the first opinion. She is from the Ministry of Energy and not the Ministry of the Environment.

There should have been some up-front participation by the Minister of the Environment in respect to those hearings. The major force of environmental impact was made by the people from Environment Canada. I think there ought to have been more and better participation by the Minister of Energy but that is, again, a decision which he obviously made some time ago and, as I said, he will have to live with that decision.

I go further to point out there were promises made about the Environmental Assessment Act. We have heard the minister reply to some of the criticisms at this point about him not having access to some opinions, and about his scepticism even on those opinions, a scepticism which now seems to have been removed.

The fact remains that the promises were made to the public. Promises were made during a time when those opinions were in existence. At the time the minister made the promise to continue with Dr. Parrott's stance in June 1981, two of those opinions were in existence and he even went further to get a second or third opinion from the Ministry of the Attorney General.

Last night you heard me speak about whether or not the opinions were based upon a question which was sound, from the standpoint the opinions could actually be looked upon as being definitive of the matter of primacy. We gave you the question that should have been asked of those people for the opinion. I will repeat it again. We think that question ought to have been: Can a hearing under the Environmental Assessment Act be conducted regardless of an hearing before the National Energy Board so that full environmental implications, the need for the project and alternatives to the project can be examined?

That is the question that should have been asked if you are looking solely at the primacy question; not the question which was asked, which spoke about the Environmental Assessment Act being used preceding any decision of the National Energy Board.

11:40 a.m.

I also think that my motion has merit inasmuch as the minister has been committed to the

public input and decision-making process, even though he has indicated that the public decision to which he looks for assistance need not be obtained, or at least may not have to appear to be obtained in a public forum.

I think it is probably best for the airing of a number of these issues if it is done in public so that we can be assured that his commitment to the sale of clean power is answered.

To skip over to two or three comments made by other members, I want to thank the senior member on the committee, the member for Stormont, Dundas and Glengarry (Mr. Villeneuve), for his indications that we could very well proceed with an inquiry under vote 2102. This was again brought up by the member for Oriole (Mr. Williams).

I agree there are certain items that can be dealt with in that vote and I see no reason why we ought not to deal with them, but the thrust of the motion is that we develop a public forum for this. There is certainly no way the public can appear before this committee, when we are dealing with estimates, to provide the input that is required for a good decision on our part on the basis of public feeling.

The member for Oriole put forward the same sort of argument and I know I have been unable to persuade him to support our matter. It is something that has developed over the last several months in the justice committee and it has now been carried over to the resources committee. It would appear I am batting zero when it comes to persuading the member for Oriole to support some of our motions.

Interjections.

Mr. Elston: I have had the opportunity to reflect on the advice of the member for Stormont, Dundas and Glengarry. I see it as partially valid, but certainly it would not give us the forum we need, so I must continue with my motion.

I also want to speak in reference to several interjections that were made last night by people who did not speak, but were carried on by people who ultimately spoke to us; that was with respect to the issue of jobs. I believe it was Mr. Kolyn who spoke about the issue of jobs in the Peterborough situation.

I want to point out to the committee the position taken by the union, the United Electrical Workers, who work at the Peterborough plant. They have decided that the environment should take precedence over jobs in this case. I just wanted to bring this to the attention of the people so that we can be very sure of just how the working people feel about this.

I think there are other matters we could probably go on about, but I expressed myself at length last night and I do not think there is a need to deal with conflicting information that is available to the public through one source or another. I will not do that at this point, but I would ask anyone who is interested to refer to the transcripts of last night's debate.

I also have numerous bits of data and statistics in there. I think the people should reflect on those, and refer to those, to assist them further.

Those are my points. I urge the members to support the motion that the matter be heard in this committee. Thank you for your flexibility.

Mr. Chairman: Do you need it read? Does everyone know what we are dealing with?

Mr. Elston has moved that pursuant to the petition tabled in the Legislature on Thursday, April 29, requesting referral to the standing committee on resources development of the annual report of Ontario Hydro for the year ending December 31, 1980, and that the same annual report be brought before this committee for consideration commencing Tuesday, May 25, 1982 so that this committee may initiate a public hearing concerning the proposed Ontario Hydro-GPU export.

Mr. Elston: Can we have a recorded vote?

Mr. Chairman: Do you want a recorded vote? All those in favour?

Mr. Elston, Mr. Ruston, Mr. Breithaupt, Mr. Laughren, Mr. Charlton.

Mr. Williams: Is everyone substituting properly?

Interjection: Yes, they are.

Mr. Chairman: All those opposed?

Mr. McNeil, Ms. Fish, Mr. Villeneuve, Mr. Andrewes, Mr. Kolyn, Mr. Williams.

Motion negatived.

Mr. Williams: Mr. Chairman, I have a motion to put before the committee.

Mr. Chairman: Mr. Williams moves that the committee continue with the estimates of the Ministry of the Environment and thereafter forthwith proceed with the estimates of the ministries of Natural Resources; Energy; Tourism and Recreation; Provincial Secretariat for Resources Development; Industry and Trade; Municipal Affairs and Housing; Agriculture and Food; Labour; and Transportation and Communications, as set out on the Order Paper.

He further moves that if time permits following disposition of the aforesaid set of nine estimates, the committee then consider the

annual report of the Ministry of Natural Resources for the fiscal year ending March 31, 1981, and the annual report of Ontario Hydro for the year ending December 31, 1980, as standing on the Order Paper.

Mr. Williams: I would like to speak to the motion, Mr. Chairman.

The reason I put this motion forward is because I think, again without exception, the members of the committee would welcome an opportunity to speak to the annual report of Ontario Hydro, as has been done via the motion that was defeated a few moments ago, and would undoubtedly like an opportunity as well to speak to the annual report of the Ministry of Natural Resources.

I believe this committee does have to consider carefully its priorities. We have to bear in mind that the primary thrust and responsibility of the committee during this part of the sittings of the Legislature is to deal with the estimates of the various ministries that are the responsibility of committees to which those ministry estimates are delegated.

Mr. Elston referred earlier to the fact that perhaps we could not have proceeded properly with the estimates of this particular ministry, or any others, pending presentation of the budget. That period of time has been reached. The budget has been presented and I think we can now deal quite clearly with the estimates of the various ministries with which we are charged.

It has occurred to me that while the right exists quite properly to refer annual reports of various ministries to committees—and this is indeed not a precedent; it has been done on a number of occasions, and on the justice committee, as Mr. Elston will attest—it seems to me that referral of annual reports by 20 members or more standing in the Legislature seems to be taking precedence over dealing with the more immediate responsibility of the committees to be dealing with estimates.

I suggest that if we do not establish an order for dealing with these matters, a motion similar to Mr. Elston's, if not identical, could perhaps be brought up again at the beginning of the estimates of the Ministry of Energy. Perhaps the annual report of the Ministry of Natural Resources could be brought forward with some other specific undertaking in mind prior to our dealing with the estimates of that ministry. It seems to me that we do have to keep our priorities in mind.

11:50 a.m.

As I said at the outset, no member of the committee, certainly on the government side, reluctant to deal with any of the annual reports referred to committee by the House. Indeed, it is our responsibility.

We do have to set our priorities. Past experience has shown that we may have spent a undue amount of time in dealing with annual reports preceding the dealing with estimates of different ministries in other committees, and could well happen here.

The discussions last evening and this morning were not totally unproductive, but on the other hand virtually all the discussion could have taken place during the specific votes of the estimates of a ministry. Therefore, I think it would be appropriate for us to set these priorities and abide by them as we have done on previous occasions in committees.

The process has worked well, once we have arrived at a consensus that this is the order in which we should be dealing with the business of committees. Therefore, I commend this proposal of order of business through the presentation of this motion at this time and would suggest the committee would be well advised to proceed on a consensus basis with this order of business.

Mr. Laughren: Mr. Chairman, I am somewhat offended by the motion. As a member of the committee, I am sick and tired of having the government members regard the committee as a particular little toy of theirs whose actions they determine.

I think it is outrageous for the member for Oriole to put before this committee a motion that will preclude us from deciding that there is something else we want to do between now and the end of December 1982. That is basically what the member is doing.

Committees were set up in a way that they would determine their own order of business. It is a tradition that the committee will determine from time to time what it intends to do.

Mr. Williams: We can always change it by unanimous agreement.

Mr. Laughren: I did not interrupt you.

The sequence of estimates has been determined by the House leaders' consensus and I see no objection to our following that sequence. For the member for Oriole to say that this is precisely what we must do, and nothing must intervene between now and the end of December, is offensive to the independence of the committee.

I would urge all members, not just the opposition members, not to support that motion because I think it is a very bad precedent. As a matter of fact, I suspect we would proceed in the way outlined in the Order Paper on the sequence of estimates. That is probably the way it will happen. But to put in the form of a motion that it must be that way is an unfair way of doing

If the government members have a sense of fairness about the way committees operate they will not support that motion. I do not think it is necessary. I do not think we have had that kind of problem in the committee over the years and do not like to see this precedent set by the committee.

I understand that it is the committee itself that would set it, but it would be done by a majority of the government members. I think it is a parliamentarily unfair way of determining the business of the committee and the way in which it will operate between now and the end of this session.

The schedule as set out is fine; that is the way the committee will deal with the estimates. That is fine but I do not think you can add to it at this stage of the game.

When committees are dealing with their estimates throughout the year, in most cases they find that at certain times they cannot get a minister in for a day. It gives them an opportunity, for the day they are scheduled, to meet and bring something special to deal with. You are really tying it up completely by putting it in this way.

In many cases through the estimates between now and December 20 you will have days when one of the ministers cannot be here for an estimate, and yet it is a day for the sitting of the committee. You could then deal with a particular item that is left outstanding. So, Mr. Chairman, it is a mistake to just put it in that order that you now have it.

Mr. Williams: Mr. Chairman, I would like to put the record straight for a moment. Both the last two speakers said that this type of motion has without precedent. Quite the contrary.

Mr. Laughren: I didn't say that.

Mr. Williams: You did. You said the words "without precedent." Both of you did. I am advising both members they spoke incorrectly. In fact, in the last session of the Legislature this type of motion was put forward and was

quite in order. It was carried by consensus of the justice committee.

Mr. Laughren: It is in order.

Mr. Williams: Quite in order.

Mr. Ruston: It's not the usual practice.

Mr. Williams: The second thing is that during that particular committee's business—and I use the justice committee as an example—there was a number of occasions when unexpected or unanticipated matters came up which the committee dealt with on a unanimous consent basis.

You cannot tell me that if something unprecedented or unexpected comes up the committee is so straitjacketed it cannot deal with an emergency situation or some other unexpected matter. It is not quite so. Experience shows this to be the contrary.

On more than one occasion last year the justice committee dealt with other matters of business. It might have been private bills referred to the committee which all members agreed to deal with notwithstanding the order of business that had been set at the beginning of the meeting.

Mr. Laughren: So why are you putting the motion?

Mr. Williams: Simply because, to put it quite bluntly, there has been some abuse of dealing with the estimates. You suggested that the government—

Mr. Laughren: I know what you are doing.

Mr. Williams: —members are somehow trying to order the business of the committee. We are trying to provide orderly business before the committee.

Mr. Laughren: You are going to regret what you are doing.

Mr. Williams: I think that to continually have motions of this nature, as were presented by Mr. Elston before this committee is somewhat disruptive.

Mr. Laughren: If you think the government is going to be well served in this way, you're mistaken.

Mr. Williams: You would be better served by dealing with the very issues that you have full entitlement to deal with in the dealings with the estimates of that particular ministry.

Mr. Laughren: We know your little tactics. A majority government is wonderful, isn't it?

Mr. Williams: In no way are you muzzled or limited in what you can say in this committee, as

you are implying. As a senior member of this Legislature you know that full well.

Mr. Laughren: I recognize a sneaky motion when I see one.

Mr. Williams: I think it is about time we got the order of the committee in line. Those are the two points I wanted to make with regard to those criticisms.

Mr. Laughren: A point of order, Mr. Chairman. If the government members really think they will be well served with these kind of tactics let that delusion remain with them.

Mr. Chairman: No, I do not think that is a point of order.

Mr. Laughren: I want to tell you something.

Mr. Chairman: That is not a point of order.

Mr. Laughren: If this parliament is going to operate efficiently it must operate with the co-operation of the opposition. If the government members persist in doing this kind of thing on committees it will not work.

You can go ahead. You have the majority. Go ahead and do it and see what happens. You will win in the short run but not the long run.

Mr. Chairman: I do not think that is a point of order.

Mr. Laughren: It is exactly what is happening.

Mr. Andrewes: Mr. Chairman, as far as my own perspective goes, I would like to set the record straight. I think that the member for Oriole, in putting this motion forward, is confirming the agenda as set by the agreement of the House leaders.

Mr. Laughren: Nonsense.

12 noon

Mr. Andrewes: That agenda could be altered. It is proper to alter it by unanimous agreement of this committee.

From time to time we may wish to vary that agenda because of certain pieces of legislation referred to this committee or certain other aspects of committee business. I want to assure the members of the committee that the government members will participate in that degree of flexibility. As far as the motion itself is concerned, I feel that all we are doing here is confirming the initial agenda set out by the House leaders.

Mr. Charlton: I am afraid I have to speak against the motion as well. Mr. Williams and Mr. Andrewes just put it quite clearly to this committee and I want them to think about what they have put. A majority vote on this motion,

which the government controls in this committee today, will preclude any changes in the order of business without unanimous consent. That means one member of this committee would be in a position to hold the entire committee up.

What will occur in this committee during the course of this year? One member of this committee will be able to stifle the will of the majority of this committee. That is what we are dealing with in this motion.

The motion is just not acceptable in this form. It is prejudging the future majority will of this committee in any emergency that might arise where one member of this committee is not prepared to agree with the rest. It is a very dangerous approach to take and it is an approach that is just not acceptable to us.

Mr. Elston: Yes, I am somewhat dismayed by the motion as well. I do not think we should be setting down this hard and fast rule because we are really not coming up with a matter of flexibility at all. It comes down to the issue of what the government wants to do and when. There will be no opportunity for opposition members to bring up pertinent and cogent questions concerning other matters.

In a situation such as this where we order our business over a long period of time, we might want to reorder business if there were some difficulties experienced by other members. For instance, some of us might be called to other committees for special work and we might want to stand something down for a while. That would require unanimous consent and a clash of personalities, or whatever, may cause us to end up with some very difficult and unfair results.

I do not believe we should be going on to set our business at great length, as has been proposed by the member for Oriole. I urge the other members to vote against it, although I do know we are outnumbered—obviously, six votes to five, government to opposition members. I presume that is what is going to carry the day. It is unfair. It is unconscionable and not supportable under the general rules of the operation of committees in the House.

Mr. Breithaupt: I just wanted to raise one point. We do not have a copy of the motion before us. Are there copies available, Mr. Chairman?

Mr. Chairman: I do not know how many we have.

Mr. Breithaupt: I would just like to look at the motion for a moment if I may and then I will return the copy to the clerk.

Mr. Chairman, there is one item that somewhat concerns me. As I understand it, there is a suggestion that the committee would only be able to change the sequence on unanimous consent. Is that correct?

Mr. Williams: As you will recall, having sat on the justice committee, Mr. Breithaupt, that is the practice that has been followed in the past. There have been a number of occasions when private bills were referred to committee. There was no difficulty in the committee agreeing to set aside the regular business of the committee to deal with private bills or other matters that might have come before the committee. I do not recall running into any difficulties during the balance of the hearings of the justice committee with that type of order of business. We were very flexible.

Mr. Breithaupt: The committee can always change its sequence if the committee agrees. I wondered if that was included in the motion. It does not appear on this printed motion. Had you included that at the end of your motion?

Mr. Williams: What additional wording would you suggest to give us the flexibility that would make you feel more comfortable?

Mr. Breithaupt: It just seemed to me that since the majority on the committee would be favourable or not to any change, unanimous consent would not really be required. However, you have included that in the motion even though it does not appear on this page. Is that correct?

Mr. Williams: No, I have not. Under the normal procedures that have been developed, I think the procedure prescribed for the sitting of committees would dictate that the order of business can always be changed before any committee or in the House by unanimous consent.

Mr. Breithaupt: Yes, I was just wondering if that had been included in the motion. I see it has not.

Mr. Williams: That is assumed to be a fact of parliamentary procedure.

Mr. Breithaupt: Thank you.

Mr. Chairman: Any further discussion?

Mr. Andrewes: Excuse me, Mr. Chairman, could you read the motion?

Mr. Chairman: Mr. Williams has moved that the committee continue with the estimates on the Ministry of the Environment and thereafter forthwith proceed with the estimates of the ministries of Natural Resources, Energy, Tour-

ism and Recreation, Provincial Secretariat for Resources Development, Industry and Trade, Municipal Affairs and Housing, Agriculture and Food, Labour, Transportation and Communications, as set out in the Order Paper.

He has further moved that if time permits, following disposition of the aforesaid set of nine estimates, that the committee then consider the annual report of the Ministry of Natural Resources for the fiscal year ending March 31, 1981 and the annual report of Ontario Hydro for the year ending December 31, 1980 as standing on the Order Paper.

All those in favour of the motion?

Ms. Fish, Mr. McNeil, Mr. Williams, Mr. Kolyn, Mr. Andrewes and Mr. Villeneuve.

All those opposed?

Mr. Elston, Mr. Ruston, Mr. Breithaupt, Mr. Laughren and Mr. Charlton.

Motion agreed to.

Mr. Elston: Mr. Chairman, on a point of order. Last night it was indicated that the time which has been taken to consider my motion on the referral of the annual report of Ontario Hydro should be taken off the time for the Ministry of the Environment estimates. I have a few comments to make as to why I think that is not proper and should not have been entertained. I want to go through that at this point.

First, in my short time here it has become customary that as we start estimates the vote number we are dealing with be called. In this particular case no vote number has been called, neither have any remarks been made on any vote of the Ministry of the Environment at the time I put my motion.

In fact, when the motion was put, the chair had indicated we were dealing with matters preliminary to the starting of any estimates and if my motion had been put after the estimates had started, it would have been clearly out of order and been ruled so by the chairman.

12:10 p.m.

For those two reasons, I think it is clear the time was not to have started running on the Ministry of the Environment estimates. I ask you to reconsider what was said last night almost by way of interjection, by point of clarification; I think that was how the member for Oriole addressed himself to me after the committee.

I think there are several things that follow. If you allow to be taken from the estimates of the Ministry of the Environment the time concern-

ing my motion, which dealt with the referral of the annual report of Ontario Hydro to this committee—that would be if my motion had succeeded, and I knew it would be very difficult to persuade some of the members—we would have been limited if the rationale of your comment holds up.

We would have been allowed only 16 hours for that hearing because, as soon as the time expired, we would have been finished with the hearing process regarding the annual report of Ontario Hydro. I think that would have resulted in an illogical situation that certainly could not have been substantiated. Our time would have been constrained, which certainly ought not to happen in that manner.

If your ruling or indication also stands, it means that a motion can be brought in at any time during the midst of any estimates to consider certain things and that motion would be in order. It has never been in order in the past and I think that would also deal a blow to the orderly conduct of business through the committee.

The other thing I have to reflect upon is this. When we are talking about the annual report of Ontario Hydro, the annual report itself is really unrelated to the Ministry of the Environment.

There are certain aspects of the Ontario Hydro report which reflect upon environmental issues. I refer to the fact that certain of those items revolving around air emissions and things like that might well be considered under vote 2102, as Mr. Williams and Mr. Villeneuve indicated.

However, there are other issues which the Minister of the Environment also brought out which would not be dealt with under the auspices of the estimates of his ministry but should be touched upon in the annual report—the economics of the energy sale and other aspects of it.

Because of that, it seems to me there should not have been any contemplation whatsoever of taking the time off the estimates of the ministry.

I also have to say this. In the House I had attempted to have the annual report of the Ministry of the Environment referred to this committee. I was advised by the House that the petition I presented was not in order, as the annual report for the Ministry of the Environment is not a statutorily required report. Therefore, it could not be done.

We sought the assistance of the House and the House leader of the government party, Mr. Wells, indicated to me that the best way to

proceed was to refer the annual report of Ontario Hydro to this committee.

We have followed that suggestion and what has happened at this point is that the annual report for Ontario Hydro has been dropped down in priority to the very bottom of the list. In fact, what has happened is that particular annual report has been virtually buried by the government members.

Seeing that the estimates of the various ministries always proceed at length and are never adequately covered in the allocation of time available to the committee, we will never get to those issues which the House leader advised me would be best explored through the annual report of Ontario Hydro.

After complying with the request of the House leader, after consulting with the House leader for my party and having gone through that process, I am now in a position where the government members have prevented me from doing exactly as I was instructed. I feel very offended by that, because I have done what was requested and you guys have decided you are going to stomp on us. I don't like that at all. Take offence at that.

On top of that, Mr. Chairman, after I have carried out the request of the House leader for your party by asking that the committee consider this particular annual report, you are saying, "To penalize you, we are taking time of the Ministry of the Environment estimates."

I am not only offended, but at this point I am outraged by that unconscionable decision on your part, a decision taken without much reflection in the midst of arguments that were being put in relation to my motion. Even though there was a request for a point of clarification, that request was probably a comment at best and not in order if it was asking for a formal ruling by the chair, inasmuch as we were dealing with a motion that dealt with a substantive matter.

After reflecting on the things you said at the commencement of our committee sittings, you ought to decide that the Ministry of the Environment estimate time did not start to run. I think the record will clearly show your indication that some preliminary matters had to be dealt with before we started those estimates.

You ought to reflect on that and at least advise the committee that your earlier comments of last evening were not properly made that the Ministry of the Environment estimates will start only after you announce what vote we are considering and that the minister is commenting specifically on his ministry.

Mr. Williams: Because he was uncertain as to how this had come to pass, I did tell Mr. Elston after the meeting that it was done by reason of my raising a point of clarification during the proceedings. I not only advised him of that after the proceedings, I did interrupt the proceedings, as you well know, Mr. Chairman, to ask a point of clarification.

Mr. Elston: What is a point of clarification?

Mr. Williams: The clarification I sought was whether the time spent dealing with Mr. Elston's motion, the time being spent to discuss environmental issues in a different context as it related to an annual report, was being taken as a part of the 16 hours allocated to the estimates of the Ministry of the Environment.

You indicated it was, and I expressed my thought that we should have it quite clear on the record, because some of the members would want to speak at some length on it if it was more than a procedural matter and part of the estimates.

I asked, "Is that your ruling?" You said, "Yes, that is my ruling."

I know Mr. Charlton understood what was happening last night and acknowledged that it was acceptable, if not verbally then certainly by the nod of his head, because you asked, "Is that agreeable to all the members?"

Mr. Charlton: I at no time indicated acceptance of your ruling. I nodded my head "Yes," in response to a question much later on in the meeting from the member for St. George (Ms. Fish), not at the time Mr. Williams raised his point of clarification, whatever that may be.

1:20 p.m.

Interjection.

Mr. Williams: It was a delayed nod that came about. In any event you were speaking at the time. You were asked to make a ruling, you made a ruling and no member of the committee challenged it. As a consequence, the deliberations proceeded. There is nothing clearer than that.

I wanted to be absolutely sure we were procedurally correct and that the clock was properly running against the estimates. If it was not, it was for you to so indicate to the committee. That is why I asked you specifically to clarify the point and to rule on it.

It seemed of little importance to some members of the committee at the time because there was no response. No objections were raised and I think Hansard will clearly show that. There is nothing untoward or devious, if one wished

to imply that and I know it has not been implied. It was straight on the record.

Certainly points of clarification are sought on many occasions. I think that was an appropriate point of clarification to raise at that time because it was important. The ruling having been made, I think the clock has been properly running.

Just one last point I wish to make and which Mr. Elston expanded upon in his observations where he said he has now been denied the right to deal with any reports referred to this committee. He suggested we have violated some arrangement between him and the House leader. No arrangements have been violated or emasculated whatsoever.

Mr. Elston: I was only following the procedure he prescribed, because then we have access. You have put that to the very bottom and buried it.

Mr. Williams: He will still have the opportunity to speak to the annual report when it comes before the committee. I think that if anyone has ever abused the time parameters set down for dealing with estimates, it has more often than not been members of the opposition parties where the estimates—

Interjection.

Mr. Chairman: Can we just get through without debate?

Mr. Williams: Quite often they will find themselves cut off dealing with—

Mr. Chairman: Can we stick to the point of order here?

Mr. Williams: —the vote because they have spent so much time—

Mr. Laughren: We know how John Williams would like to run the province. One big party.

Mr. Williams: In establishing an order of business for the committee I take offence at the suggestion Mr. Elston's rights and privileges have been denied and that he will never have an opportunity to speak to a report that I think all of us want to speak to in the course of time.

Mr. Elston: It is exactly the same way you spoke last year when we were dealing with Re-Mor/Astra Trust. You kept putting it off, saying it would come back and it has not surfaced.

Mr. Williams: As I recall, we spent three and a half days on that one motion.

Mr. Elston: You wanted to speak—

Mr. Chairman: We are on this point of order. Can we stick to that?

Mr. Williams: I simply say the record speaks for itself. You ruled last evening and it was not challenged. Therefore we have to proceed on the basis, as the motion I had put recognized, that the estimates of the Ministry of the Environment were continuing, and so they do at this point, according to your ruling.

Mr. Andrewes: Mr. Chairman, I would agree with Mr. Williams. You were asked on one occasion by Mr. Williams and on one occasion by myself to give an indication as to how much time was remaining on the estimates.

However, I have some concerns about the point Mr. Elston is raising that it would not be in order to receive a motion during the estimates. He is suggesting that if your ruling stands we have further violated certain accepted rules and long-established patterns for committee work, particularly as they apply to the estimates. As I said, I would like you, Mr. Chairman, to consider that point. I think it is an important point and it should bear on in your decision on this point of order.

However, I do take some offence to the suggestion we have trodden down the rights of members of the opposition. We have had some indication, particularly from the members of the Liberal Party, that they were going to read fairly lengthy prepared statements and that the minister was here with his staff. That staff has now been waiting for the estimates to proceed for nearly five hours. I am sure most of those staff members might have had better things to do than to sit in this committee room waiting to be called on for their participation in the estimates.

As a member of this committee Mr. Chairman, I will abide by your ruling on this point of order. I would, however, request that you temper your justice with mercy to some extent and give some consideration to the point Mr. Elston has raised, which I mentioned previously.

Mr. Charlton: Mr. Chairman, I think Hansard will clearly show the comments Mr. Williams made about what he said when he raised his point are correct. That is not the point you have to consider.

The question is a procedural question. We have procedural rules. Mr. Williams' motion which this committee just carried is one which deals with orders, and orders must be called before they are in motion.

I think Hansard from last evening, although will not show the nod of my head—

Hon. Mr. Norton: Oh yes, it will. I whisper in his ear and said, "See him nodding his head"

Mr. Charlton: Hansard will quite clearly show you did not call the order for the estimates of the Ministry of the Environment. That is what you have to deal with in your ruling and nothing else.

Mr. Ruston: My understanding is that in the procedural matters, that I have noticed over the past few years, they do not classify as estimate time. One of the things I checked with in the clerk's office this morning was that the chairman must distinctly say he is calling now for the first vote, and then the minister leads off. I do not know how soon we can get that information from Hansard.

I think you should have time to consider the look over Hansard of last evening and deal with it at a later time. There would be nothing wrong to start the clock when you start the estimates after this discussion and then it could be considered as starting them. We will deal with all other considerations at a future date, after you have consulted the chief clerk's office and sought forth for advice. That would be the proper time to deal with it. I do not think we can deal with right now.

Hon. Mr. Norton: Mr. Chairman, I do not really want to get into debating the issue now before the committee since I am not a member of the committee, but I would like to make an observation if I might.

In my limited experience over the last five years, however many estimates I have been through, I do not recall ever hearing a vote called before statements. I believe the practice has been that the minister makes an opening statement, the critics make opening statement and then votes are called. So I do not believe the argument that the first vote has to be called before the clock begins to run is consistent with practice.

Just as an observation to those who are the aggrieved parties on the committee, perhaps what ministers ought to do after waiting for two months for committees to make up their minds and after sitting and keeping members of the staff sitting for five hours is wait until a committee decides it means business and gets the Speaker's order and then appear as an indication that you mean to go ahead with the estimates of the ministry.

We do have other things to do, you know. I do not mean to suggest we are not willing. We are

the hands of the committee and we recognize that. Our first responsibility is to the Legislature. But there is a limit to the amount of time we can fritter away and still discharge our responsibilities, while the committee carries on in whatever fashion it chooses.

2:30 p.m.

Mr. Laughren: You do not need to look only at the opposition in that regard.

Hon. Mr. Norton: I do not recall that it was the government that introduced the resolution.

Mr. Laughren: Let the record show that this party took up a total of 12 minutes on the motion in question.

Hon. Mr. Norton: Yes, I recall that. I think that is a fair observation.

Mr. Williams: Mr. Chairman, just one very important point. Mr. Charlton suggested that because there was no vote on your ruling, that therefore it really was not brought to a head. As we understand Duchesne and the rules of procedure, once you make a ruling it stands unless it is challenged. You do not vote on a ruling by the chair.

Mr. Charlton: I did not suggest that.

Mr. Williams: I am sorry. I misunderstood.

Mr. Charlton: I suggested that the order of the Ministry of the Environment estimates was never called.

Mr. Williams: All right. I thought you had said the vote had not been called on his ruling.

Mr. Charlton: The order was never called, hon.

Mr. Laughren: Keith, I think you had better sit down with John some day and have a talk with him. You worry about frittering away the time of your officials.

Mr. Chairman: Perhaps I should indicate the context of my answer to the query from Mr. Williams last night.

It was mentioned that not much reflection was put on it. In fact, the chair did start to reflect on the start in anticipation of the point of order being raised. I did make a comment last night in answer to Mr. Williams' query and I think I should share with you my thoughts at that time.

My interpretation of the Order Paper is that the purpose for which we were meeting, as agreed to by the House leaders of all parties, was to consider the estimates of the Ministry of the Environment. I feel that until such time as a

motion has been passed by this committee, setting aside the business we sat to meet for—

Mr. Charlton: You called another order.

Mr. Chairman: —on the Order Paper dealing with something else that—can I give you the rationale behind which I responded to Mr. Williams? Is that fair?

Until a motion had been passed by the committee setting aside the business on the Order Paper and dealing with something else, my interpretation was that at the time we were dealing with the estimates of the Ministry of the Environment. The gist of all the comments generated by the motion dealt with the Ministry of the Environment.

Whatever advice I was given at that time led me to believe that that was what we were doing.

Mr. Elston: Whose advice?

Mr. Chairman: I stated last night, when questioned by Mr. Williams, that that was my understanding and there was no challenge at that time.

The normal procedure in the estimates I have dealt with is that the first several hours are spent by the Minister of the Environment and the opposition critics before a specific vote is called. That has been the normal procedure in the estimates I have dealt with. That may not be historically correct all the time, but that was the history I had to rely on.

There was some reference made that the chairman was attempting to penalize. I do not think there was any attempt at that. I did also reply to Mr. Andrewes, on the basis of the information I had last night, that the time remaining on the estimates was some 13½ hours. This indicated that, on the basis of the order that we were to meet with, two and a half hours had gone by.

It was also mentioned that I had asked to set aside the orders of the day. I have not seen Hansard, but I have to tell you that in all sincerity I did not intend to do that. I do recall asking—and maybe I should not say this because I might stand to be corrected when we do see Hansard—if, in recognition of our being here for the Environment estimates, the committee would object to my asking for a couple of things during that time. The committee did not object, so we dealt with the letter on the mining association meeting and report of the Workmen's Compensation Board.

I respect the wishes of the committee. It is

suggested that, while I have to be ruled by the majority—that is my job as chairman—

Mr. Laughren: We understand.

Mr. Chairman:—there was some suggestion that perhaps, since last night, I may wish to take time to consider the information that was available to me and the evidence presented today. It now being past 12:30 and time for normal adjournment, I would suggest that probably would be in order.

Mr. Williams: You are taking the point of order under advisement?

Mr. Chairman: I am taking the point of order

under advisement, in view of the fact that time has run out. I will rule, if that is what I am to do at eight o'clock tomorrow evening, at which time I would presume, unless this committee wishes to direct otherwise—

Mr. Charlton: Perhaps I could suggest to the chairman that the standing committee on procedural affairs will be sitting tomorrow morning before we sit again. Perhaps he could take the time to consult with that committee on the procedure that occurred last night and on his ruling.

The committee adjourned at 12:36 p.m.

CONTENTS

Wednesday, May 26, 1982

Estimates, Ministry of the Environment	R-1
Adjournment	R-1

SPEAKERS IN THIS ISSUE

Andrewes, P. W. (Lincoln PC)
 Breithaupt, J. R. (Kitchener L)
 Charlton, B. A. (Hamilton Mountain NDP)
 Elston, M. J. (Huron-Bruce L)
 Kerr, G. A.; Chairman (Burlington South PC)
 Laughren, F. (Nickel Belt NDP)
 Norton, Hon. K. C.; Minister of the Environment (Kingston and the Islands PC)
 Ruston, R. F. (Essex North L)
 Williams, J. (Oriole PC)



Ontario, *LEGISLATIVE ASSEMBLY*

No. R-6

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Resources Development
Estimates, Ministry of the Environment



Second Session, Thirty-Second Parliament
Thursday, May 27, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Thursday, May 27, 1982

The committee met at 8:14 p.m. in room 228.

ESTIMATES, MINISTRY OF THE ENVIRONMENT

(continued)

On vote 2101, ministry administration program; item 1, main office:

Mr. Chairman: At the adjournment of the last meeting and in between the last meeting and this meeting, two issues arose. One at the last meeting was a point of order that asked the chair to rule on the time remaining in the estimates or, I suppose, when the estimates started.

Mr. Kerrio: We really were asking for an impartial ruling. You did not put that little word in.

Mr. Chairman: Right, an impartial ruling.

Mr. Stokes: The chairman's rulings are always impartial.

Mr. Chairman: In the interim, I have had several queries regarding the procedural motion that was carried at the last meeting on Wednesday as well. There was some implication at the last meeting that to deviate from the schedule that was proposed would require unanimous consent of the committee. I would like deal with that one first.

I gave you some of the background on the first decision at the last meeting. In the interim, I have discussed it with the Speaker, the Clerk of the House, the clerk of committees, the former Speaker, the House leader of the official opposition and a few other reasonable colleagues.

It was unanimous from all sources I talked to that, with the motion that was carried at the last meeting as far as the order of business is concerned, it does not require the unanimous consent of the committee to change that order. It is a procedural motion setting out the order of the business the committee will follow. As far as the order of the estimates goes, we would require a motion in the House to change the order of the estimates, because it has been accepted in the House that this shall be the order.

The committee certainly does have the author-

ity, in my opinion, to set aside the particular orders of the day and, notwithstanding the motion that was passed, a motion that we deal with something other than the orders of the day would have to be considered in order and would carry with a majority.

The second thing is the point of order on the time that has been expended so far on estimates. Notwithstanding what is in Hansard, and I reviewed Hansard for both days when the order of the business as set out in the Order Paper is the estimates, when the gavel comes down and the meeting is called to order, I could not find any opinion otherwise than that the clock starts running on the estimates.

I have also reviewed the minutes of both meetings. I suggest that, in the interests of what I consider to be reasonable and fair, a considerable amount of time was indeed spent on issues that would have been spent in any regard on the Environment estimates. There was some time that perhaps was not. As well, I suggest that some members were perhaps legitimately of the opinion that the clock had not started on the estimates and they may not have spent as much time as they otherwise would have if had they known right from the start.

It is my opinion that three and a half hours is a reasonable time to have been expended on the estimates up to this point and that, starting as of the Tuesday and Wednesday meetings, three and half hours will have expired and we will start from there.

Mr. Elston: Can I ask a question, Mr. Chairman? In the interest of one of the points I raised yesterday, the motion was ruled in order when it was put on Tuesday evening by myself. Is it the case now that we are free to move motions? I understood that a motion was not to have been moved at any time after the estimates had started; that once we had started them, a motion to review other material, material technically outside the scope of the estimates, would have to be made prior to the commencement of the estimates.

8:20 p.m.

Mr. Chairman: Probably any motion is in order if the chair so rules. If the motion is

substantially one of how to proceed or one that deals with the material at hand, it is likely the chair should rule that in order.

I ruled the motion in order, and the debate that took place on the motion would indicate that probably I made the correct ruling, not that I always do. If you review Hansard, you will see that there is very little question that this particular motion—I do not want to go into all the reasons; I gave some of them yesterday. If you want to discuss that further, outside of this forum—

Mr. Elston: No. There is no problem.

Mr. Chairman: I think the motion was in order. Okay?

Mr. Kerrio: You cannot burn up the clock. You are away ahead in the game.

Mr. Chairman: In that case, three and a half hours into the estimates, the minister has a few remarks that he would like to make to the committee.

Mr. Laughren: First, Mr. Chairman, I would like to move that Mr. Ed Fahlgren, commissioner of the Royal Commission on the Northern Environment, be asked to appear before this committee prior to the completion of these estimates. If it is appropriate, I will speak to the motion now.

Mr. Chairman: There is some difficulty with it. I do not mind discussing it with you. At the previous estimates of the Ministry of the Environment we entertained such a motion, but I understand Mr. Fahlgren now reports to the Ministry of the Attorney General.

Mr. Laughren: Yes. If I could speak to that: I was aware of that very nifty move by the Minister of the Environment, because he did not want to go through the embarrassment of having to apologize for the Royal Commission on the Northern Environment. Internally or externally, that is no secret in this committee.

The mandate of the royal commission is as follows: "(1) To discover the effects of the major developmental projects on the environment and the people of northern Ontario; and (2) to find a means whereby the people of northern Ontario could gain an effective measure of participation, control and economic and social benefit from whatever development does take place."

That is the mandate of the royal commission. I can only assume that the Minister of the Environment has bailed out and shifted the responsibility from Environment to the Attorney General during the past year. There is absolutely no question—and the chairman might

want to examine the Hansard report of the debates of less than a year ago—that the other ministry involved, the Ministry of Natural Resources, argued that while they would love to hear from Mr. Fahlgren, really that came under the purview of the Minister of the Environment.

We all know that it was called the Royal Commission on the Northern Environment. For the Minister of the Environment now to use the argument that he has successfully shifted the responsibility over to the Attorney General (Mr. McMurtry) and that there is no money in these estimates to be spent on the royal commission, is probably the most blatant environmental cop-out I have witnessed in my 10 years as a member of this Legislature. I would very much like the minister to explain why he has done this.

Mr. Chairman: I think if you wish to ask this—

Mr. Laughren: I know that \$5 million of public expense is not terribly important to you Mr. Chairman, but it is to a lot of people in Ontario.

Mr. Chairman: You have given me an opening. I could probably spend half an hour talking about \$5 million, but I was asked a question, a chairman, about the importance of \$5 million and I cannot let it go by without saying that \$5 million is very important to the people of Nipissing. It is a considerable sum of money and no doubt is of importance to all of us in northern Ontario, as is this particular commission.

Last year we debated the motion and it was in order at that time because there was money in the votes. It is not in order for this particular round of estimates, because there is no money in the Environment estimates for the royal commission, and I cannot accept the motion.

Mr. Laughren: Could I ask you whether you think that the commissioner himself, Mr. Fahlgren is wrong when he says, "Specifically, I am directed to conduct investigations into the process of the Environmental Assessment Act"? Perhaps you could tell me why the commission was named as it was, and why the Royal Commission on the Northern Environment was struck in the first place, if it was not to look into the whole question of the impact of development on the environment of northern Ontario using the word "environment" in its broadest sense.

Mr. Chairman: Perhaps I could, but the question certainly is not in order.

Mr. Laughren: Perhaps the minister could answer.

Mr. Chairman: Perhaps he could, but the proper forum to ask him that is in the House, not in this committee.

Mr. Laughren: That is nonsense.

Mr. Chairman: Not when we are dealing with the estimates of the Ministry of the Environment.

Mr. Laughren: I have seen snow jobs in my life, but it is simply outrageous that this commission has been put off from the Minister of the Environment and on to the Attorney General. Even if that is the case, will you please tell me why it is not appropriate for the commissioner to appear before this committee? Tell me that.

Mr. Chairman: I have already ruled that I do not think the motion is in order, and I think that is all I am called upon to do.

Mr. Laughren: Why? Because it is not in the estimates?

Mr. Chairman: I have given you the reasons, and I suggest that we should move on.

Mr. Laughren: Isn't majority government wonderful, Mr. Chairman?

Mr. Kerrio: I would like to speak to the motion.

Mr. Chairman: There is no motion. The motion is not in order; so you cannot speak to the motion.

Mr. Kerrio: Well, on a point of privilege or order or whatever you want to call it.

Mr. Chairman: On a point of order or privilege, or whatever you want to call it, go ahead.

Mr. Kerrio: The fact of the matter is whether we are going to be missing someone who has evidence to put before this committee. I do not think committees have to have it in the estimates to hear someone come before this committee to give evidence that is important to the Ministry of the Environment. What does that have to do with the fact that we are talking about someone who would have some input to this committee? Certainly we digress from those things that are contained in the estimates to hear witnesses who have something of substantial import to offer to this committee.

Mr. Chairman: In my opinion, we are here to debate the expenditures of the Ministry of the Environment. There may be some people you might wish to hear from where it is borderline and there may not be any expenditure, but in this case there clearly is an expenditure that is not related to the Ministry of the Environment. I do not see how I can possibly rule that in order.

Mr. Kerrio: They have already bumped it from one to the other, and now no one wants to hear it.

Mr. Chairman: I entertained the motion last year. It was in order at that time, and I would presume it would be in order in the estimates of the Attorney General.

Mr. Laughren: You used the same coverup then that you are trying to use now.

Mr. Chairman: No.

Mr. Laughren: Could I ask you this question, Mr. Chairman? We are going to be debating the whole question of the Environmental Assessment Act later in these estimates. Would that not be an appropriate time for the commissioner of the Royal Commission on the Northern Environment to appear before this committee?

Mr. Chairman: I have ruled that it does not appear to me to be appropriate that a commission, particularly one that is reporting to another ministry, should appear under these estimates.

Mr. Laughren: Keep stonewalling.

Mr. Chairman: With respect, I do not think that is stonewalling.

Mr. Laughren: With no respect, is what you really mean. This is a joke.

Mr. McNeil: Why can't we just continue with the estimates?

Mr. Laughren: I am sure you would like that very much.

8:30 p.m.

Hon. Mr. Norton: Mr. Chairman, perhaps before I embark on my opening remarks, which I hope and am confident will minimize the acrimony that is being expressed by some around here and restore unanimity and cohesion within the committee—

Mr. Stokes: You can try.

Hon. Mr. Norton: Yes, I will try. Perhaps initially to try to resolve the obviously troubling conflict that exists within the mind of the member for Nickel Belt (Mr. Laughren), I could put his mind at rest. There was a very clear and, I think, understandable reason for the decision that was made to transfer the reporting relationship for the Royal Commission on the Northern Environment from this ministry to the Ministry of the Attorney General.

Mr. Laughren: Tell us about it.

Hon. Mr. Norton: That is what I am about to do. I am sure that all members of the committee—

Mr. Kerrio: Do you really think the Attorney General is the least bit interested in the—

Hon. Mr. Norton: Surely all members of the committee can understand the importance of safeguarding not only in fact but also in appearance the independence of a royal commissioner. One of the things that caused me some concern with the existing reporting relationship was precisely the thing that the member for Nickel Belt has identified: the fact that the royal commission was charged with certain responsibilities, or given a certain area of operation, which could very well and perhaps ought to lead it into areas where it would comment on the performance of this ministry as it related to the northern environment.

Given the fact that until last year not only did the funding for the royal commission exist within the estimates of this ministry but also the commission reported to the House through the ministry, I felt this was not an appropriate reporting relationship. It was not only inconsistent with traditional practice with respect to the reporting relationships of royal commissions, which traditionally have been through the Ministry of the Attorney General, but it also put the commissioner in what I thought was the awkward position of having to comment on this ministry and at the same time report through the ministry and receive the funding for the operations of the commission from this ministry.

Mr. Stokes: Especially in the light of what he said about Detour Lake?

Hon. Mr. Norton: Especially in view of the fact that I would have thought members of the opposition particularly would have seized on that as a potentially conflict-ridden relationship. I wanted to remove any possible suspicion of potential for conflict, and for that reason I recommended to my colleagues that the relationship be changed; and in fact that took place. Had that not taken place, I think the member for Nickel Belt, if the opportunity had arisen and it suited his purposes, would have been critical of the relationship that previously existed.

I am quite prepared to stand by my recommendation. I think it is now an appropriate reporting relationship. It is not part of the estimates of this ministry.

Mr. Laughren: It is a joke.

Hon. Mr. Norton: Having said that, I would—
Interjection.

Hon. Mr. Norton: Yes, you can—

Interjection.

Hon. Mr. Norton: By all means, or in head office or central—whatever.

Interjection.

Hon. Mr. Norton: Mr. Chairman, I would like at the outset to welcome the member for Huron-Bruce (Mr. Elston) to the first round of estimates that he has participated in as the critic for the official opposition.

Mr. Kerrio: Never mind. We are going to make him mean because—

Hon. Mr. Norton: I had thought that in his new role he might be able to somewhat subdue the exuberance of the member for Niagara Falls (Mr. Kerrio), but obviously he is going to resist any efforts to subdue him.

I am sure the member for Huron-Bruce already realizes that this is not only one of the most exciting areas of public policy but also one of the most challenging in which to be involved today.

Mr. Stokes: And controversial.

Hon. Mr. Norton: And controversial, certainly. That is one of the reasons it is so exciting. The extent of public interest, observation and criticism of our every move keeps us daily at such a fever pitch of excitement that we almost require a constant prescription of Valium just to keep ourselves under control.

Mr. Elston: Has anyone been keeping a running tally of the former Environment ministers?

Hon. Mr. Norton: This one has more staying power than you ever realized.

Mr. Kerrio: You have to be young and unattached and have a lot of vim and vigour to last it out in this one.

Hon. Mr. Norton: Is that what it is?

Mr. Elston: And don't drink the water.

Hon. Mr. Norton: It is my hope this evening in the next few moments to exhilarate you all with the presentation of the estimates of the Ministry of the Environment for review by the committee; that is, the estimates for 1982-83.

I would mention, and I am sure some members of the committee recall very well, that it was only a little more than four months ago that we were in this room reviewing our estimates for the past fiscal year. Much of the work of those estimates was either well under way or completed at the time we reviewed them in committee in December 1981—

Mr. Williams: Mr. Chairman, could I ask the

minister, is there a written statement that will be available to the members?

Hon. Mr. Norton: Yes, there is a written statement that will be available to the members they would like to have it before them during the course of the delivery. I certainly would not oppose that, provided, of course, that they refrain from reading aloud three lines ahead of me, as occurred to one of my colleagues in the house not long ago when he had the courtesy to distribute copies of his remarks. Provided that is the case, I do not mind if they are extended now.

Mr. Kerrio: We will give you a half-hour's head start. Then we will catch up to you.

Hon. Mr. Norton: By that time I will almost have finished the first page. If the clerk wishes to distribute them, that is fine.

We can now examine the estimates of our ministry at almost the start of the fiscal year and consider our plans to a large extent in advance of their implementation. The estimates are not simply a financial statement; they are the expression of the plans of the ministry for the forthcoming year, and they afford us an opportunity to examine in some detail the decisions that have been taken and are proposed to be taken during the course of this fiscal year.

This is a particularly significant year for the ministry. On April 1 we passed the 10th anniversary of the establishment of the Ministry of the Environment, and in review I think we can regard it as a watershed, the point at which we can consider many of our traditional goals achieved, and shift our minds and our resources to meet the challenges of our second decade.

Since we are to be talking dollars and cents through the next few sessions of the committee, I think it is appropriate to mention that more than \$5.5 billion has been spent on water and sewage services in Ontario to date. More than—

Interjection.

Hon. Mr. Norton: Yes, Port Burwell will get some. I can assure the member.

More than \$1.7 billion of that was invested in the form of loans and grants by the ministry and its preceding agencies. The results of these investments are rather spectacular. Communal water services are now serving 98 per cent of our urban population, or 83 per cent of our total population; provincial and municipal facilities are now capable of producing a steady daily flow of close to two billion gallons of high-quality treated drinking water; sewage treatment systems capable of handling 1.2 billion gallons of waste daily now serve 94 per cent of

our urban population, or 82 per cent of the total population in the province. These services, coupled with industrial pollution abatement, have produced a very significant improvement in Great Lakes water quality and local river and lake quality in populated areas.

8:40 p.m.

Mr. Stokes: Would you care to estimate the percentage of industrial waste that is not being treated before it finds its way into our water courses? You said 94 per cent.

Hon. Mr. Norton: It is very limited actually. There is a very limited amount that is not treated.

Mr. Stokes: Look at the pulp and paper industry.

Hon. Mr. Norton: There are specific instances we can discuss later where we have some distance to go. In fairness, you have to recognize that the degree of treatment of industrial waste in this province is probably higher than any other jurisdiction in North America. I do not know of any that can match it. It is something of which we ought to be proud, but we should not rest on our laurels. We still have some distance to go.

I might add that we have been successful in meeting our obligation under the Canada-Ontario and the Canada-US agreements on Great Lakes water quality. As I will discuss later, we intend to continue meeting our obligations to new objectives that have been established under those agreements.

In our efforts to maintain and protect the quality we have established a monitoring network of more than 1,250 air quality instruments across Ontario. We have required the expenditure by industry of more than \$1 billion on pollution control and the net result has been dramatic improvements in air quality in almost every urban community in Ontario.

Similarly, a decade of monitoring, review, research and enforcement has brought about significant improvement in waste management. However, as I said, we are at a watershed, turning our eyes to the new environmental challenges that have emerged as the issues of the 1980s. Many of my remarks tonight will concentrate on our initiatives with regard to these new and challenging issues.

In developing these estimates, we have made a major effort to supply additional funds for many of our priority areas such as the Niagara River, hazardous contaminants and acid precipitation, as well as maintaining the many impor-

tant day-to-day functions of the ministry which are essential for the continued protection of the environment.

The 1982-83 estimates total \$346.4 million, a net increase of \$18.3 million over last year. Of this amount, \$249.8 million is for the construction and operation of water and sewage treatment facilities, including grants to municipalities. The remaining \$96.6 million is assigned to the wide range of programs necessary for environmental protection.

Mr. Elston: What is the amount of money for the Royal Commission on the Northern Environment?

Hon. Mr. Norton: I do not know what the amount allocated for the operation of the royal commission is this year.

An hon. member: About \$1.6 million.

Hon. Mr. Norton: It is \$1.6 million.

The Niagara River as a source of treated drinking water continues to meet our highest standards. I want to emphasize what I have already stated on several occasions in the past—that the drinking water from the Niagara River is safe and of high quality.

Mr. Kerrio: You do not drink it.

Hon. Mr. Norton: I do whenever I am in the area.

Mr. Kerrio: That is not very often. The Minister of Energy (Mr. Welch) does not drink it; he drinks bottled water.

Hon. Mr. Norton: He brings me a flask once in a while just to keep me in touch.

Mr. Kerrio: With a slug of vodka in it to kill the wiggles.

Hon. Mr. Norton: Do not forget, those of us on our side of the House do keep in touch.

Mr. Kerrio: Okay.

Mr. McNeil: The minister didn't interrupt your statement the other night.

Hon. Mr. Norton: I don't mind the interruptions at all, Mr. Chairman.

Mr. Stokes: Yes, he did. I thought I heard him say "Port Burwell" over there.

Mr. McNeil: No, he didn't. I thought he was pretty kind to you.

Hon. Mr. Norton: The quality of Mr. Kerrio's drinking water is confirmed by the extensive and ongoing testing of both raw and treated drinking water taken from the river which is conducted on a regular basis by my ministry. The presence of contaminants in the river which has been detected by our testing of fish

continues to be a major concern to me and the staff of my ministry.

Mr. Kerrio: You taught the fish to swim on their backs.

Ms. Fish: On a point of privilege: I didn't do that.

Mr. Elston: How did we get into waterbeds? How did we move to waterbeds?

Hon. Mr. Norton: Well, next year you should watch for them. They enter into a new phase of ornamental swimming next year. That is when they swim on their backs with their dorsal fins extended in the air. That is challenging.

I have said in the past that I am concerned about the long-term effects of the pollution in the Niagara River and the impact the pollution may have on Lake Ontario.

Our scientists are convinced the contamination found in fish originates from the chemical complex on the disposal sites on the United States side of the river. Our findings indicate this pollution is continuing to enter our waters from those sources.

Obviously, the chemical sources in the United States must be cleaned up and must come under tighter control. Ontario is pressing New York State and the United States agencies for immediate action on the problem. In fact, as recently as last Friday, I spent a good part of the day in New York meeting with Commissioner Flacke.

Mr. Kerrio: Hooker is now drilling on the periphery. Excuse me, I do not want to interrupt you—

Hon. Mr. Norton: We can perhaps get into that.

Mr. Kerrio: —but it is an important question. Does he share the results of those tests with you? They are doing it right now, and it is ongoing as you know. We discussed testing the periphery of that area.

Hon. Mr. Norton: The Department of Environmental Conservation has been very good about sharing information with us. I do not know offhand whether we specifically have the results of that drilling that you referred to but—

Mr. Kerrio: I hope you might check on that because it is ongoing.

Hon. Mr. Norton: Yes. I can assure you there has been very close communication with New York state. In fact, last Friday's meeting led to, among other things, a reaffirmation on the part of the commissioner to continue to share and to promote that kind of co-operative relationship through the Niagara River Committee.

For our own part, in Ontario, we have established, as you will recall from last fall, a special Niagara River environmental team and a short-term program which is now under way. I will provide details later on the specifics of that.

However, the chemicals discharged into the river in the past and the continuing suspected seepage of wastes must be addressed both for the long-term protection of future water supply and in the short-term for prevention of fish contamination.

Many of the toxic substances discharged through several decades into the environment are persistent; that is, they do not readily biodegrade or break down in the river. They have the ability to accumulate in plant and fish life. The continuing discharges of persistent toxic substances are causing a buildup of these contaminants in the environment. Even if the inflow ceased today it would take many years to dissipate this accumulation to an insignificant level.

Because some substances remain stable for a long time, they are carried from the Niagara River into Lake Ontario and remain toxic. They can then bioaccumulate in plants and fish throughout the lake, reducing its ability to provide sport and commercial fishing.

We are pursuing one philosophy for the long-term protection of the Niagara River and Lake Ontario, that the discharge of toxic substances in toxic amounts should be prohibited and the discharge of any or all persistent toxic substances should be virtually eliminated. This is consistent with the terms of the Canada-United States Great Lakes water quality agreement of 1978.

However the mistakes of half a century cannot be corrected overnight. We are faced with a painful, expensive and time-consuming process. What we have to be aware of, on both sides of the river, is the risk entailed if cost and time are used as excuses for delay or inaction. Pretreatment either at source or at a facility specifically designed to handle industrial waste, using the best available technology, complete removal to secure landfill, or cessation of manufacture and use, are all available options. Any of those is preferable to laxity in discharge. The ministry will continue to express this philosophy and press for major improvements in New York state at every opportunity.

8:50 p.m.

I want to emphasize that the establishment of our objectives with an action program to achieve them and our consistent call for improvements

in discharges from New York state are components of a two-pronged attack on discharges to the Niagara River. Another major thrust of our attack is an accelerated effort to be certain that our own Ontario discharges meet the demands of our philosophy as soon as humanly possible. Here is how we are proceeding.

As I briefly mentioned, a Niagara River improvement team of scientists and other specialists has been established to lead the ministry's efforts to monitor the river, to follow activities in the United States closely, and to participate in all possible pollution control actions in New York state. A budget of \$500,000 has been appropriated for the work of the team, and we have provided for additional staff even during the short time since the team was established and began its task.

Most recently we have authorized recruiting a hydrogeology consultant to investigate suspected sources of contamination in New York state, including Hyde Park and the Love Canal dump sites. The ministry has already been active in the measures being considered in the United States. The most recent is the ministry's response to the draft state pollution discharge elimination system permit for the city of Niagara Falls waste water treatment plant.

Mr. Kerrio: Niagara Falls, New York?

Hon. Mr. Norton: Yes. We have studied this situation extensively, since the plant is a significant source of pollution to the river and has failed to operate properly for most of the time since it was commissioned in 1978. The ministry's response includes a number of recommendations concerning the control of specific contaminants and the need for pre-treatment of persistent toxic contaminants at the industrial sources.

I might just add somewhat gratuitously that one of the things I thought was very significant on Friday was that Commissioner Flacke of New York state paid tribute to the efforts of Ontario in bringing pressure to bear on the federal government in the United States. He went so far as to say—and those who were there will confirm what I am saying—that had it not been for the efforts of Ontario, he believes the money that has recently been made available for the restoration of that plant and bringing it into operation would not have been made available by the federal government in the United States.

I would not have thought our efforts had been so successful, but certainly that is the commissioner's view. He encouraged us to keep up our

pressure, because he felt we had the opportunity to be more effective in dealing with the federal government than New York state, which is somewhat encouraging.

Mr. Elston: I think the Treasurer has been talking with the Reagan administration.

Hon. Mr. Norton: No. If you are thinking about the problems of the flow from Treasury, that is another very significant point. When I came back from New York state late on Friday, I must say I felt very fortunate that we were living in a jurisdiction where constraints did not result in the very severe cutbacks and dislocation of programs that American jurisdictions are facing today. New York state does not yet know what its allocations will be for this fiscal year. It does know it will have to find literally millions of additional dollars in its budgets to cut out.

This is a very serious problem. In fact, it is so extensive that even if the state gets some of the facilities it would like in place, it may not be able to afford to operate them, and that is a very serious problem. That is not something Ontario can resolve for the state. I can scream internally and others can scream externally about the fact that we are living with constraints in Ontario, but we really are much better off in that respect than most American jurisdictions today.

Mr. Charlton: If you noticed on the news today, New York City got a very low interest loan from the federal government of Canada because the federal funds for public transit had been cut off in the United States. One of the manufacturers in the United States was complaining that the deal with Bombardier was unfair. The mayor of New York defended the whole deal, saying, "Look, the Canadians were prepared to make the money available."

Hon. Mr. Norton: I just hope the federal government will do the same thing for the Urban Transit Development Corp. when the opportunity comes up.

Mr. Kerrio: As soon as you get your linear induction motors straightened out.

Hon. Mr. Norton: That is the last thing you want to do with that motor.

Mr. Kerrio: The other important thing you have not mentioned yet is that industrial waste was accepted in the Niagara Falls, New York, treatment plant. It is very significant that has not happened in Ontario. Those industrial wastes are being put through a plant that does not now have the ability to treat them, and so they are being dumped into the river.

Hon. Mr. Norton: That is precisely why we are so concerned, because the activated charcoal beds simply have not functioned properly.

The ministry's response to the situation in Niagara Falls, New York, with respect to the treatment plant, includes a number of recommendations concerning the control of specific contaminants and the need for pre-treatment of persistent toxic contaminants at the industrial sources.

We are optimistic the New York state Department of Environmental Conservation will respond favourably to our concerns. Personally I am satisfied the political will exists now in New York state if the resources can be found. Significantly increased resources are already being allocated to address these problems, but they are severely limited by federal fiscal policies in the United States.

Mr. Elston: Is any change in philosophy being expressed to you when you speak with people from New York state, for instance, because of their shortage of funding? Do you find any philosophical changes in how they are dealing with questions of environment, or are they facing them as problems but just not getting the money?

Hon. Mr. Norton: I would say it is more the latter. I have only been dealing with this for a little over a year now, and some of the people who have been more directly engaged over a longer period of time may have a better impression. My impression is that the level of concern and the level of commitment in trying to address the problems is greater. That is what I mean when I refer to the fact that the political will is there to do something about it. The desire is there.

I believe they are doing what they can with the resources that are available, and if additional resources can be made available through the Environmental Protection Agency of the United States, or whatever other federal sources, I think they will follow through. They are now actively trying to get a number of these sites recognized for purposes of funding under the Superfund that has been established.

Mr. Charlton: What are the technical holdups with that money, do you know?

Hon. Mr. Norton: I think part of the problem with the Superfund, as I understand it, is that there is a limited amount of money—about \$1.5 billion, I think—and if I am not mistaken there are some thousands of sites across the United States which they are trying to categorize and

establish a priority rating for in terms of those that must be addressed most critically. New York state is trying to have as many of their sites as possible recognized for funding. In a sense, they are now going through a technical rating exercise, if that means anything. That is, New York state has at least one site recognized—I think that is Love Canal—for some additional funding at the moment.

Mr. Kerrio: I believe this goes back to President Nixon's time, when he took \$5 to \$7 million out of the Great Lakes cleanup program.

Hon. Mr. Norton: Is that the same? I do not know if that is the same.

Mr. Kerrio: That is when we went backwards in the Great Lakes cleanup.

p.m.

Hon. Mr. Norton: Yes, but I do not think that the same thing.

Mr. Charlton: Do you have any idea of the time for the actual conclusion of their rating?

Hon. Mr. Norton: No. My impression is it will be a gradual process and that some could be recognized on a gradual basis. As I say, at least one in New York state has already been recognized. Love Canal has been allocated \$4 million or something like that. Others could be recognized at almost any time if they are successful in persuading the federal authorities.

In the coming year, the province is considering participating in approximately 15 hearings concerning the renewal of state pollution discharge elimination system permits in New York. We will also closely follow the progress of three pending litigations brought by the state against waste disposal sites in the Niagara area.

The improvement team, working in conjunction with the staff of the ministry's regional office, will also continue to work with the International Niagara River Toxics Committee. The committee has developed a comprehensive monitoring program designed to identify sources of toxic pollutants, assist with the development of control programs and determine the effectiveness of abatement strategies. The results of these monitoring programs form the foundation on which our input to the SPDES hearings is based.

As I mentioned earlier, the ministry is making particular efforts to ensure that Ontario industrial and municipal discharges are not adding to the pollution load in the Niagara River. These discharges are monitored regularly to ensure they comply with provincial standards.

We are also working to improve the treatment facilities for the combined municipalities of Stevensville and Douglastown, the city of Welland and the city of Niagara Falls.

Mr. Kerrio: The citizens are up in arms because they are talking about a lagoon up there in Douglastown. That is kind of ancient.

Hon. Mr. Norton: I am not familiar with the lagoon proposal. We can perhaps get into that in some detail a little later on. Lagoons do not strike me as the most sophisticated approach these days, but then I am not an expert.

Mr. Kerrio: It is really just a big septic tank without a lid.

Hon. Mr. Norton: Because of increasing public concern for the safety of the water supply at Niagara-on-the-Lake, the regional municipality of Niagara has moved ahead on phasing out the outdated water treatment plant by constructing a pipeline connecting Niagara-on-the-Lake with the St. Catharines water supply. The new supply is expected to go into service this summer.

The increasing ability of our environmental scientists to detect and analyse minute quantities of a wide range of chemicals, and the high priority assigned to this continuing and expanding activity, are bringing forward positive results in terms of reliable information on these pollutants.

Mr. Elston: I have seen some of these words before in another release.

Hon. Mr. Norton: You might very well have. Sometimes it is worth saying things more than once so they sink in.

Two recent series of tests on Great Lakes fish have added to our knowledge, and also to our concern about potential long-term effects.

Spottail shiner minnows taken from the Niagara River contained trace levels of the most toxic dioxin, 2,3,7,8-TCDD. Our scientists are satisfied the dioxin originated on the New York side of the river as the result of previous disposal practices at sites associated with chemical companies in the Buffalo-Niagara Falls, New York, area.

We found PCB and dioxin concentrations in minnows from Cayuga Creek, New York, which contains drainage from the Love Canal area. This reinforces concerns about the seepage of contaminants from industrial waste disposal sites.

The dioxin level, averaging 59 parts per trillion of 2,3,7,8-TCDD at the Cayuga Creek site was four times higher than dioxin in min-

nows from other Niagara River locations sampled in 1981.

Dioxin was not detected in spottail shiners collected in the Nanticoke area of eastern Lake Erie, which is upstream from and unaffected by industrial waste losses to the Niagara River.

Findings for 11 lake trout collected in the Port Credit area of western Lake Ontario are of particular concern. Dioxin 2,3,7,8-TCDD in these fish averaged 27.4 parts per trillion, with individual values ranging from 17 to 57 parts per trillion.

These findings mark the first time in the ministry's dioxin testing program that the average concentration in a sampling of fish exceeds 20 parts per trillion of the federal guideline. These trout also exceed the unrestricted consumption guidelines because of the polychlorinated biphenyl and mirex levels measured. That aspect was not new. The fish in which the dioxin was detected were already on the restricted list because of the PCBs and mirex.

Medical specialists with the Ministry of Labour who are our advisers in this field were consulted and have recommended the continuation of "limited consumption" advice for lake trout from the Port Credit area as defined in the October 1981 Environmental Health Bulletin.

Fish species from other areas of Lake Ontario and from the lower Niagara River contained 2,3,7,8-TCDD, but in no case did the average exceed the 20 parts per trillion federal guideline. No dioxin was detected in fish from the Grand River near Waterloo. However, trace levels of one or two parts per trillion were measured in three of 11 lake trout taken from Lake Superior.

Mr. Kerrio: Do you have any backup information as to why this happens in Lake Superior?

Hon. Mr. Norton: We do not know why.

Mr. Kerrio: That is incredible.

Hon. Mr. Norton: It is.

Mr. Kerrio: I have not heard that before.

Hon. Mr. Norton: We can only speculate at this point that it may be residue from some spraying that took place somewhere around the lake some time ago with a chemical that was contaminated by dioxin. This is the first time we have detected any in it. It is very low, but the fact that it is there is troubling us. We do not know of any current source from which it could be coming. For that reason our best guess at this point is that it is from some previous spraying.

The current sport fish test results support earlier tests showing that levels of 2,3,7,8-TCDD

are higher in Lake Ontario fish than in fish from other Ontario water bodies tested. They support the opinion that industrial waste disposal sources in the area of Niagara Falls, New York, are the main source of this chemical in Lake Ontario fish.

Niagara River and Lake Ontario drinking water supplies were tested for 2,3,7,8-TCDD and other contaminants found in the minnow and in the sport fish. Dioxin was not found in any water sample. The detection limit is 0.01 parts per trillion, using the most recent sophisticated equipment we have added in the laboratory.

Mirex and DDT were not found in any water samples. PCB has been measured occasionally in Lake Ontario waters, but concentrations are much below the interim Ontario drinking water objective. Our drinking water is safe and of good quality. I am concerned, however, about the potential long-term problems which these higher levels of dioxin in fish may present.

These new dioxin findings by our Ontario scientists were communicated immediately to the Canadian Minister of the Environment, the Honourable John Roberts, and to the appropriate officials of the United States Environmental Protection Agency and the New York Department of Environmental Conservation.

I have already had a meeting with the Honourable Robert Flacke, commissioner of the New York Department of Environmental Conservation. The Premier intends to raise the question of pollution in the Niagara River at the meeting of the governors of the Great Lakes states and the Premier which will take place in June.

Mr. Kerrio: The jet will land at the Niagara Falls, New York, airport.

Hon. Mr. Norton: Are you sure of that?

Mr. Kerrio: Yes. It has a 7,000-foot runway.

Hon. Mr. Norton: So if we want to pick you up, all we have to do is land on the other side of the river and you can swim across.

My concern for these toxic and persistent substances does not end with the problems we face in the Niagara River and the Great Lakes. Over the past 10 years, the strides in analytical chemistry have been enormous. We can now measure compounds in the parts per trillion range. This ability has shed new light on the contamination of air and water. Unprecedented improvements in analytical capabilities permit the measurement of chemicals that went unde-

ected just a few years ago and, hence, were assumed not to be present.

10 p.m.

Mr. Kerrio: How do you relate the fact that you find the dioxin and the PCBs in the fish and yet they do not show up in 0.2 parts per trillion in the water samples? It is a bit of a dichotomy.

Hon. Mr. Norton: Not necessarily. One of the things that has to be borne in mind is that dioxin has a relatively short half-life. What is the half-life of dioxin? Is it 27? No, it is less than that. In sunlight, it is a matter of an hour. It is a very short half-life; so if dioxin is in the water, for example, or exposed in some way to the sunlight, it would be destroyed fairly quickly. In fact, one of the most effective ways to deal with it would be to expose it to sunlight.

What we believe may be happening is that it gets tied up with sediment and, through the food chain, bottom feeders would pick it up. It is not necessarily in the water but perhaps in the contaminated sediment and, through the food chain, ends up in the larger sport fish. That appears to be the most likely way in which it finds its way into the fish.

Mr. Kerrio: It becomes concentrated in the fatty tissue of those fish.

Hon. Mr. Norton: That's right.

The ministry has the mandate for environmental health. This means it is our responsibility to ensure that the air we breathe and the water we drink are safe. Almost every area of the ministry has a role to play with respect to toxic substances. The staff deal with the issue on a daily basis.

To strengthen our efforts to fulfil this mandate, a hazardous contaminants program has been established. We have established a hazardous contaminants office to deliver that program. Its main functions are to maintain an overview, to ensure ministry projects are effectively carried out, to develop and maintain a centralized data information system and to develop an inventory of hazardous contaminants in relation to their emissions and location, including storage, handling, transportation and disposal.

A common question in regard to hazardous contaminants is, do we have adequate legislation? I believe we do. The Environmental Protection Act, the Ontario Water Resources Act and the Pesticides Act give us the right to require companies and/or individuals to supply data related to the nature, handling, transportation, use and disposal of these chemicals. Rele-

vant emissions and discharges also must be reported.

The Ontario Ministry of the Environment has a list of approximately 200 chemicals or groups of chemicals that are being considered as potential hazards in Ontario, and the list is to be published this summer. Once the priority list has been published, the potential exposure to those chemicals must be determined so that a hazard assessment can be made. The collection of this information is very time-consuming and expensive, and to this end, the ministry has allocated \$600,000 for this fiscal year.

Developing improved methods for measuring and assessing the toxic effects of chemicals is a continuing requirement. The ministry has commissioned a new biohazards laboratory costing \$450,000 to expand its genotoxicity testing capability. The new laboratory will be brought on line this summer—just across the boundary.

Mr. Kerrio: It seems rather appropriate now that if you wanted to do something high profile to keep up your image, you'd build it at Niagara.

Hon. Mr. Norton: Maybe we could strike a deal. What are you willing to do in exchange for it?

Mr. Kerrio: I'll make a deal.

Hon. Mr. Norton: The ministry is also supporting research to establish test protocols for assessing the genotoxic effects of chemicals. An extra \$500,000 has been allocated in the budget to support research into the health implications of trace contaminants in air and water.

Any investigation into hazardous contaminants must start with the identification and quantification of the pollutants. The ministry has traditionally put considerable effort into establishing an advanced analytical capability. Research and development of analytical methods is an important part of the ministry laboratory services and this effort will continue.

We are improving our methods for the detection of a number of contaminants, particularly those on the priority pollutants list. Many of these tests are very specialized and time-consuming. We are developing procedures to simplify the testing processes so that significantly more tests can be carried out at a greatly reduced cost. This will enable the ministry to expand its monitoring efforts in the most serious area of environmental concern.

A major weakness of environmental agencies around the world is the lack of information on the significance of the trace levels of contaminants now being detected. The sampling and

analytical programs have improved to a staggering degree over the past number of years. However, the research into the health and environmental significance of contaminants and the development of the human talent needed to perform the research and assess its results have failed to keep pace. This is largely because such research requires lengthy biological testing and does not lend itself easily to electronic shortcuts.

To address this important imbalance, last year the province announced its intention to support the establishment of a world-class centre for toxicology, building on programs that are currently operating at the universities of Toronto and Guelph. The Ministry of the Environment has been designated as the lead ministry for supporting the centre.

Mr. Kerrio: Are you going to avail yourself of every opportunity to go over to the United States, though, and raise Cain with them at all the hearings in the future?

Hon. Mr. Norton: Sure.

Mr. Kerrio: If not, you can commission me and I will continue to go on your behalf.

Hon. Mr. Norton: You are the greatest little Cain-raiser I ever saw.

The programs and policies of the centre are being developed, and the physical requirements are now under consideration. The proposed programs of the centre will include analytic and testing services, cellular and molecular toxicology, epidemiology, environmental and food chain dynamics and professional training.

The centre is intended to be a consortium involving all levels of government, industry and the university community. As a consortium, it will build upon the strengths of these supporters and devote itself to the diversity of needs that its supporters present.

The centre requires and is seeking financial support from several sources: government, industry and the universities. The province of Ontario is committed to this important undertaking and is active on many fronts in its efforts to persuade the appropriate agencies of federal government to provide financial support at least equivalent to the national interest and need.

Mr. Kerrio: How are you going to get your support when they read Hansard and see what you do to them every day in question period, telling us what rascals they are? You are going to have to change your tune if you want the feds to co-operate.

Hon. Mr. Norton: You are getting me confused with someone else.

Mr. Kerrio: Oh, okay. You are right; you do not do it. It is just all the other cabinet ministers, the back-benchers and all the other rascal Tories.

Hon. Mr. Norton: Our effort included discussion at virtually all levels. Our Premier has written to the Prime Minister, urging support for the centre. The Treasurer (Mr. F. S. Miller) has raised the need for federal funding with his counterpart. I have discussed it on several occasions with the Honourable John Roberts, the federal Minister of the Environment, and have had communication, I might add, with the Minister of National Health and Welfare, who obviously has an interest in this as well. The senior officials of my ministry and the Ministry of Health continue to press for a commitment to the centre with their contacts at the federal level.

9:20 p.m.

The federal government seems to be the only brick missing at the moment from the foundation necessary for the establishment of the centre. The universities concerned are already providing staff and facilities. Industry has indicated it will participate and is awaiting the completion of detailed planning before making any firm commitments.

Mr. Elston: Does that mean your program is one brick short of a load?

Hon. Mr. Norton: No. It means the federal government is still several bricks short.

An hon. member: Is this fed-bashing again?

Hon. Mr. Norton: No. I am just stating some clear and simple, forthright facts.

Mr. Kerrio: The NDP have no bricks.

Mr. Martel: We're not alone, I'll tell you.

Hon. Mr. Norton: It seems to me I have heard that. You have been watching that ad. You have got the blimp with you.

Mr. Martel: I know you fellows well.

Hon. Mr. Norton: Elie, it is good to have you back.

Mr. Martel: Since there is nothing going ahead in the House, because there weren't enough Tories, I thought I would come here.

Hon. Mr. Norton: It is the most interesting place to be tonight, I can assure you. It is nice to be the most interesting act in the whole House tonight.

Mr. Stokes: The only one. That is why you have a captive audience.

Hon. Mr. Norton: Since 1979, when the acidic precipitation in Ontario study was established to investigate the phenomenon we call acid rain and the long-range transport of air pollutants, a complex research program has been developed to determine the sources, deposition, effects and feasible abatement actions.

From a budget of almost \$7 million in fiscal year 1981-82, we estimate that \$9 million will be spent in 1982-83 to meet growing research and program requirements. While the majority of this budget is devoted to research and investigative activities, a portion will be spent to support Ontario's efforts to persuade US administrators and environmental officials to consider the transboundary and long-term factors involved in airborne pollution.

Mr. Kerrio: You are going to have to put more money into that little package now, because you have been a little shifty with those Yankees with that stuff.

Hon. Mr. Norton: What do you mean?

Mr. Kerrio: With the GPU and all.

Hon. Mr. Norton: Oh, go on.

Mr. Kerrio: You are going to have to do a little more there now, because those Yanks are not convinced that you like to be right up front.

Hon. Mr. Norton: The problem is that you spend too much time talking to the coal producers and electric utilities in the United States.

Mr. Kerrio: Oh, no. The coal producers are the fellows who are on your side now.

Hon. Mr. Norton: No.

Mr. Kerrio: They said: "That Keith Norton in Canada is big. We are going with him."

Hon. Mr. Norton: They are the ones who are putting ads in newspapers questioning my motives.

Mr. Kerrio: That's right. They are questioning your motives.

Hon. Mr. Norton: But the people who understand the problem and have a more objective perspective understand what it is we are doing. Actually, they are very supportive.

Mr. Kerrio: Can you describe these people who understand your motives?

Hon. Mr. Norton: Sure. Pat Moynihan, for one.

Mr. Kerrio: The coal people.

Hon. Mr. Norton: No, no. They are no friends of ours. They see us as a threat.

Mr. Charlton: Are you investigating acid dandruff?

Hon. Mr. Norton: Acid dandruff? Do you have a problem?

The threat of acid rain to the environment shared by the two countries is also obviously one of the major areas of mutual consent.

Mr. Martel: With the licence you have given Inco, you should not be talking like that.

Hon. Mr. Norton: We will deal with that later.

Mr. Martel: You should not even be talking about that. Every year you give them a further extension.

Hon. Mr. Norton: What do you mean by a further extension?

Mr. Martel: Every year you do it, to go against the 1972 order, and always when the House is not sitting.

Hon. Mr. Norton: No.

Mr. Martel: Yes.

Hon. Mr. Norton: I hope you are around when we can discuss it.

Mr. Martel: I am going to be here.

Hon. Mr. Norton: Okay, good. You are going to be surprised.

Mr. Martel: No, I am not, not a bit.

Hon. Mr. Norton: Oh yes, you are. You will be shocked right out of your boots.

Mr. Martel: I know what you fellows have denied over the years.

Hon. Mr. Norton: There have been no denials on my part.

Mr. Martel: What? No one has even admitted that the damage in the Sudbury area is caused by Inco and Falconbridge. "It is from Chicago," your scientists have said over the years.

Hon. Mr. Norton: Really. Chicago?

Mr. Martel: I remember Dr. Clarke and all those characters saying it was from Chicago.

Hon. Mr. Norton: Is anybody boring holes through your bedroom walls, Elie?

Mr. Martel: I was the only guy who opposed the superstack.

Hon. Mr. Norton: It was beneficial to the immediate area.

Mr. Martel: To Sudbury, oh, lovely. But I knew what would happen elsewhere.

Hon. Mr. Norton: Did you?

Mr. Martel: I opposed it. I was one of the few who opposed the superstack.

Hon. Mr. Norton: Did you put it on the record?

Mr. Martel: Yes, I did, and you can see it is on the record. Back in 1969 it was announced by Matthew Dymond. I did not want to interfere. We will come back to it.

Hon. Mr. Norton: The overall mandate of the acidic precipitation study is to protect Ontario's environment from the detrimental effects of acid precipitation and from other air pollutants which are subject to long-range transport.

A few months ago, when the 1981-82 estimates of the ministry were presented before this committee, I outlined details of many studies which make up the acidic precipitation in Ontario study. At this time, I would like to bring you up to date on the program and major research activities for 1982-83. Brace yourself.

Mr. Martel: I can hardly wait.

Hon. Mr. Norton: First of all, I want to comment on the atmospheric processes studies. During 1981-82, Ministry of the Environment scientists developed and validated a statistical model for estimating the total deposition of sulphur throughout the province. In fiscal year 1982-83, this model will be expanded to include oxides of nitrogen.

Mr. Martel: Dreisinger was doing that in the 1960s. Do you remember Dreisinger when he worked for your ministry? And now he is now working for Inco.

Hon. Mr. Norton: They are much more sophisticated these years.

The staff of the ministry anticipate that both an accurate assessment of current sulphur dioxide and NO_x emissions in the province, an updated inventory of sulphur dioxide emitters of 100 tons per day and greater, will be available this year for eastern North America. A preliminary inventory of NO_x emitters in eastern North America will be completed as well.

Few people today doubt the effects of acid precipitation on our aquatic ecosystems. However, there are still many doubting Thomases on the subject of the long-range transport and deposition of air pollutants. For this reason, considerable effort will be expended over the next year in developing and validating more sophisticated long-range transport models.

The monthly and event deposition monitoring networks, which we expanded in 1981-82, will continue routine sampling of wet and dry deposition, airborne particulate matter and gaseous sulphur and nitrogen.

The cumulative (monthly) network will assist

in determining acid loadings in various areas of Ontario, whereas the event (daily) networks will assist in linking specific emission sources to receptor areas. At a limited number of sites we will begin monitoring other airborne pollutants, such as dissolved sulphur dioxide, mercury and organics.

Much has been written and much is known about sulphur dioxide and its effect on the environment. As part of our ongoing research on the effects of airborne pollutants and the long-range transport of these pollutants, the air resources branch of the ministry will consider the levels and impact of oxidants in Ontario.

We are considering the sources, transport, ground-level concentrations, relationship to nitrogen oxide and hydrocarbon emissions, controlled strategies, cost-of-control and environmental damage estimates associated with oxidants. It is anticipated that a preliminary report will be available later this year.

Secondly, we have the aquatic effect studies. I have already made reference to the scepticism surrounding long-range transport of air pollutants. I believe sincerely that I would be hard-pressed to find more than a handful of sceptics concerning the impact of acid rain on our aquatic ecosystems. Thousands of lakes and streams are in jeopardy today from the effects of acid rain. The fish populations and the viable tourist and recreational economics which depend on them are being severely stressed.

Mr. Martel: We said that in 1970 with respect to the Killarney lakes chain, and all the scientists from this ministry and the Ministry of Natural Resources, led by Dr. Clarke, denied it. There was not an aquatic bug anywhere, but they said it did not come from acid rain or from the SO₂; it was in the rock.

Hon. Mr. Norton: You must have been ahead of the Swedes and everybody else.

Mr. Martel: We saw the ecological damage in the Sudbury area, and there was not a fish left in the lakes. Something was killing them.

Hon. Mr. Norton: But at that time that was not long-range transport.

Mr. Martel: I want to tell you, if you flew from here to Sudbury, by the time you reached Parry Sound you could see the plume there. You knew it was being transported, airborne. We made those accusations and your people said: "No, no. You don't know what you are talking about."

9:30 p.m.

Hon. Mr. Norton: One of the problems of being around here so long is that you keep going back to the past. You fail to recognize the—

Mr. Martel: No. You give us this malarkey that you are handing us tonight, and some people recognized it a long time ago.

Hon. Mr. Norton: Your colleague does not do that. He is aware of the progress we have made.

Mr. Martel: He can tell you about the same thing that happened in Wawa, where the plume went for how many miles? It cut a swath through the bush for what? Fifty miles?

Mr. Stokes: Twenty miles.

Hon. Mr. Norton: If you go back to the 1920s earlier and look at some of the photographs of the smelting operations around Sudbury—

Mr. Martel: But that is what your people tried to hand us, that it was all because of the 1920s; they did not want to take into consideration—

Hon. Mr. Norton: All I am saying is that you do keep taking steps back until you can see very drastic examples of the very worst.

Mr. Martel: Dreisinger did 15 years of reports, which you people would not give out until we got one in a brown envelope. After I raised it in the House one afternoon, that night at eight o'clock we all had copies on our desks sent by special delivery from Sudbury. Fifteen years of telling what was happening, and you would never admit it.

Hon. Mr. Norton: Which report are you talking about?

Mr. Martel: Bruce Dreisinger's. Check it out.

Hon. Mr. Norton: All right, I will check it out.

Mr. Martel: Yes. He now works for Inco.

Hon. Mr. Norton: Moving right along: In 1982-83, work will continue on our calibrated watersheds in the Muskoka-Haliburton area. Detailed limnological studies will continue on eight lakes and 32 watersheds to develop and refine models that predict the impacts of atmospheric deposition on various chemical parameters.

Mr. Martel: Do you remember that your ministry—

Mr. Chairman: Order.

Hon. Mr. Norton: My memory doesn't go back as far as yours. When are you going to recognize that? I am much younger than you.

Mr. Martel: You limed four lakes at the cost of the province to see if you neutralize the acidity.

Hon. Mr. Norton: We are doing six now, I think.

In addition, intensive integrated watershed studies will be conducted in northeastern and northwestern Ontario. Acid deposited with snow accumulates during the winter, and during the spring snow melt a shock of acid flows through the streams, resulting in short-term water quality conditions that can be lethal to fish and other aquatic life.

In the typical stream attacked by acid rain, as the water flow increases the shock loading of acid causes pH to decrease. This year, as in past years, intensive studies will be carried out during spring and fall runoff to determine the impact of these shock loadings on selected lakes and streams. Fishery sources are dwindling in the affected lakes because of subtle shifts in age-class distributions.

Since the effects of acid rain on fisheries are known to be subtle, emphasis is being placed on sublethal physiological responses. One such set of experiments will involve the determination of the sublethal response of fish species during pH aluminum stress on respiration and metabolism.

Field experiments will be conducted during 1982-83 to evaluate the effects of spring runoff and acidic pulses on embryo larval development and growth of indigenous fish species. As well, work will continue on toxicity thresholds, including metals uptake, for various indigenous fish species.

In May 1981, the ministry released its first survey on the acid sensitivity of lakes in Ontario. Since that time, further sampling of additional lakes has taken place, and the ministry has released updated information on our lake sampling activities. Lake sampling will continue during 1982-83.

The ministry is working closely with many branches of government in many jurisdictions. In Ontario, we are working now on an integrated intensive water quality and fish population study with the Ministry of Natural Resources. A selected number of lakes in the Algonquin Park area will be used in this study.

Third, terrestrial effects: Concern is mounting over the potential for damage to our terrestrial ecosystems caused by acid precipitation. In response to this concern, ministry scientists are attempting to determine the present status and sensitivity of soils and vegetation to acid deposition. Experimental studies with accumulated acid rain on various species of vegetation are continuing. Baseline surveys of vegetation and soils will be conducted to establish the status for

chemical constituents so that future changes caused by atmospheric deposition can be detected.

In addition to liming experiments being carried out in the affected lakes in northeastern Ontario, we will be conducting experiments on tree seedling plots in an attempt to determine whether the addition of lime to forests can be used effectively in forest plantings to offset acid precipitation.

Fourth, socioeconomic investigations: Ontario's citizens are aware of the acid rain issue. In fact, we in Ontario probably have the highest level of awareness of any jurisdiction of this problem. Some polling done last year indicated that the recognition level of the problem ranged at about 97 per cent. I do not know of any other issues, including the recent budget, that have reached that level of awareness among the citizenry of Ontario.

Our extensive research program into this problem includes a socioeconomic component. In fiscal year 1980-81, three major economic studies were initiated and are now receiving extensive peer review. The work in this area is pioneering; hence, there is the necessary focus on methodological development. These studies include an assessment of the implications of acid rain for tourism and recreation, a survey of the values and perceptions people hold for environmental resources threatened by acid rain, and examinations of the effects on other sectors, including forests, agriculture, buildings and commercial fisheries.

The methods developed in these studies can be used to update estimates of effects as well as to develop and evaluate policies. My ministry is planning to release an overview or synthesis report in September of this year to present the technical information collected in our studies as well as to explain the methodologies.

It remains difficult to demonstrate a relationship between acid rain and human health, and to date no North American effects have been described scientifically. There is, however, increasing concern here and abroad that the acidification of water supplies could result in increased concentration of various metals from rock, soil or plumbing and that this might result in adverse health effects. I suppose the most advanced observations in that regard have been in the southern region of Sweden.

My ministry is planning an overview study of possible health effects related to acid deposition which we propose to launch this year. Ontario has taken major steps to reduce its contribution

to the acid rain problem. Inco, generally acknowledged to be the largest single point source of sulphur emissions in North America, had cut its emissions by about one half during the 1970s. In May 1980, knowing that tougher controls were needed, the Ontario government ordered Inco to cut back a further 25 per cent by the end of 1982.

The Falconbridge smelter in Sudbury now removes 82 per cent of the sulphur in its ore. Ontario Hydro, whose coal-fired plants together form the second largest source of sulphur dioxide emissions in Ontario, is now under government regulation to reduce its emissions by approximately 43 per cent from 1980 levels, slightly higher percentage than that for present levels, by 1990. Hydro is required to meet this established—

Mr. Elston: Is there a specific number, rather than the percentage decrease that has been quoted often?

Hon. Mr. Norton: No. The fact that you hear from time to time 43 per cent, or in the range of approximately 50 per cent, is that the 43, if I am not mistaken, is based on the base year of 1980. Is that right?

Interjection: On a three-year average.
9:40 p.m.

Hon. Mr. Norton: The 43 per cent figure is based on a three-year average. When you sometimes hear reference to a slightly higher percentage, if you recall when my predecessor Dr. Parrott placed—

Interjection: He was not here.

Hon. Mr. Norton: Oh, all right. When this regulation was placed on Ontario Hydro, it was stated very clearly at the time in both the press releases and statements in the House and elsewhere that in the initial couple of years there would be some increase in the emissions. We are experiencing precisely that at the moment. So this year's level of emissions from Hydro is somewhat higher than the base year.

If you work from this year's level, the target for reduction is higher than the 43 per cent. If there is any confusion about it, it is for that reason. If you take the three-year average, it is 43 per cent. But if you are talking about current levels on an annualized basis, it is probably up fairly close to 50 per cent; I am not sure of the exact percentage.

Mr. Elston: Is this 43 per cent going to be met even though it is increasing substantially beyond what the projections were for it?

Hon. Mr. Norton: The regulation does not express it in percentage terms. It expresses an absolute tonnage target that they must achieve by 1990. So, regardless of demand for electricity, domestically or for purposes of export, for example, they still must achieve the tonnage targets that have been established in that regulation.

Mr. Elston: I know there have been a number of orders placed in other areas in addition to hydro, but have any of those targets ever been met, other than in the current situation with Inco, which is below the target?

Hon. Mr. Norton: I do not think they are below the target yet. They are approaching it.

Mr. Elston: But they are only there because of the considerable cutback in production.

Hon. Mr. Norton: That has been a factor in their reduction over the past number of years.

Mr. Elston: Has there been an order that has been met that has been set?

Hon. Mr. Norton: I presume what you are getting at is that some of the earlier orders, which were placed in the 1970s, were then found to be not achievable and therefore were replaced with more realistic orders. I do not know. Perhaps we can get some of the staff, particularly those from the region when they are present later in the course of the estimates, to answer more detailed questions.

Mr. Elston: I guess what I am really doing is reflecting on maybe how realistic the goals are for 1990 because we are talking about absolute numbers. It seems that the record in the past has been that when absolute numbers have been set, they have not been met and they have had to be revised upwards to accommodate pressures.

Hon. Mr. Norton: I have no reason to believe they are not realistic. In fact, I think Ontario hydro will tell you the same thing: they see the targets as achievable. They are planning the installation of at least two scrubbers. They also are contemplating the use of more low-sulphur coal to achieve that. It is much more expensive coal but, nevertheless, much lower in sulphur. The difference in sulphur content of eastern coal versus western coal is really quite dramatic. It can be as much as a 10-fold difference. They are confident they can achieve that target. In fact, I have heard no one express doubt about that.

Mr. Elston: I think it is important to realize there is technology available that would have allowed a number of private corporations to

reach some of their goals. But the pressures largely arose in the mid-1970s; certainly those raising their heads now appear largely to be economic rather than technical in nature, although I do recognize some technical drawbacks. It appears there is technology available that would substantially cut down.

What I am saying is that Hydro could install more than two scrubbers, for instance, and substantially cut back on their emissions even now. Technologically, it is quite possible.

Hon. Mr. Norton: In some instances the technology is in process and being developed during the term of an order. For example, if you address Inco for a moment, Inco has been investing a very substantial amount of money in an effort to develop technology that would allow it to achieve greater reductions in emissions. For some time now, in Thompson, Manitoba, they have had an experimental operation involving pyrrhotite rejection, which seems to be working well. I have not been out to see it but some of the staff from the ministry have been.

In some cases, with new smelters—for example, I have forgotten the specific name, but the Texasgulf smelter up in Timmins, by virtue of being a new operation, is removing something like 98 per cent of the sulphur, and that is an ideal situation.

Mr. Williams: Kidd Creek Mines.

Hon. Mr. Norton: Kidd Creek; that's right. One of the smelters at Falconbridge is removing 82 per cent but, in the course of achieving that, Falconbridge in one instance invested something in the range of \$67 million in new technology which did not work. They then had to turn around and write off a loss of \$67 million.

Mr. Elston: It was not totally written off, because some of that would go by way of some tax incentive, I presume.

Hon. Mr. Norton: Sure.

Mr. Elston: The tax breaks were there.

Hon. Mr. Norton: Some of the companies are quite quick to acknowledge the fact that the situation in Canada, given the tax structure in this country, is helpful. I have been in meetings where one individual would suggest that perhaps the government ought to get into the business of assisting with some of the cost of retrofitting plants, and it is very often the leaders in the industry themselves who say, "That may be necessary in places like the United States, but in Canada, given the tax

structure, we are already being assisted to do this."

Mr. Elston: Under federal programs?

Hon. Mr. Norton: Sure, through federal-provincial tax structures. We are very collegial in that respect. That works well for collegial.

It is 97 per cent at Kidd Creek Mines. I was not looking ahead.

In any event, our goal is to reach the level of emissions that our environment can tolerate without deterioration.

Ms. Fish: Before we go on to the next page—I know I was not supposed to read ahead, but I cheated a little.

Hon. Mr. Norton: You didn't. I knew I should not have given you a copy.

Ms. Fish: I did not get all the way to page 73.

Mr. Elston: It is okay. Neither are we going to get that far tonight.

Ms. Fish: Not tonight we are not. I was wondering whether you could indicate for me the appropriate point in the estimates where we could engage in discussion about what happens to the sulphur dioxide emissions once they are removed. They are not going into the air, for which I certainly commend the ministry, but they obviously have to be collected somewhere, and what does not go into the air has to go somewhere else. I would like to pursue that at the appropriate time.

Hon. Mr. Norton: I presume that the most appropriate would be under air resources, vote 2102.

Ms. Fish: Good. It is going to be the recovery under air resources.

Mr. Martel: The answer will be the same.

Hon. Mr. Norton: The same as what?

Mr. Martel: The same as we have had for 15 years.

Hon. Mr. Norton: Goodness, you are getting jaded in your old age.

Mr. Martel: No, I just went through this 15 years ago. Check the records.

Mr. Chairman: Moving right along.

Hon. Mr. Norton: It would be interesting to have that discussion, because scrubbers are not without their own problems. That is one of the reasons I think we have to be very flexible on the technology.

Interjection.

Hon. Mr. Norton: You may undermine Kingston; that is what I am worried about.

Mr. Charlton: You had better watch it. There was a salmonella outbreak reported there today.

Hon. Mr. Norton: In Kingston?

Mr. Charlton: At the Royal Military College. You had better stay here for a while.

Hon. Mr. Norton: Thank goodness that under federal jurisdiction.

Mr. Martel: Blame somebody.

Hon. Mr. Norton: The government of Ontario formed the Ontario/Canada task force to investigate emissions in the greater Sudbury area. This task force will identify and—

Mr. Martel: In 1974, it was said that there was \$400 million in damage annually and you people denied it.

Hon. Mr. Norton: This is not like the select committee on company law, you know. This is not the same body that existed in 1974.

Mr. Martel: Is there a difference?

Hon. Mr. Norton: Yes, a real difference. This task force will identify and enumerate the environmental, economic and social consequences of alternative air pollution abatement programs for both Inco and Falconbridge.

Mr. Martel: But that is what is nuts. You have been looking at it for 15 to 20 years. What the hell are you talking about? That is what is so perverse about what you are saying. If you go back to Dreisinger and to the federal report of 1974, they said there was \$400 million in damage annually in the Sudbury basin.

Hon. Mr. Norton: No. Hold it. That is not what we are talking about, if you would just listen for a moment. We are not talking about the damage at this stage. We are talking about technology for abatement.

Mr. Martel: Inco was going to build a new plant in 1975 and instead bought a battery plant in the United States with your blessing and continued to devastate the Sudbury area.

Hon. Mr. Norton: I did not give them my blessing.

Mr. Martel: Your ministry certainly did.

Hon. Mr. Norton: This committee, which will be reporting by September of this year, also will develop abatement cost functions, determine the economic impact of abatement on the two companies and on the community, evaluate the consequences of alternative enforcement policies and compare abatement costs with expected benefits of abatement programs.

Mr. Martel: You know what? They could

reduce the emissions by one third just by producing sulphuric acid.

Hon. Mr. Norton: You have to capture it before you can produce sulphuric acid.

Mr. Martel: They do capture it, and they could have produced a third more sulphuric acid every year for the past 10 years, except that one of the three pieces of the mechanism to make sulphuric acid has been down constantly, because they do not want to glut the sulphuric acid market. So they have dumped it into the environment instead.

Hon. Mr. Norton: I do not know how much you understand about the market. I have been rather keenly interested in that situation for some time, because there are some market problems for sulphuric acid. We could produce enough sulphuric acid to flood the world.

Mr. Martel: A lot of sulphuric acid has been dumped into the atmosphere, and we have chosen to dump it into the atmosphere.

Hon. Mr. Norton: Given the present market situation, they are having difficulty in marketing it. In fact, they are losing money on every ton of sulphuric acid they produce.

Mr. Martel: I am not talking about today. I am talking about the past 15 or 20 years when they could have produced a third more.

Hon. Mr. Norton: I wish I could bring you up to date.

Mr. Martel: I am up to date. I heard the same arguments in 1972 and 1974, when you gave them further extensions when they did not get down to the proper level. We heard the same rap, that they were not economically in a position to do anything about it. Here you are giving us the same gobbledegook tonight.

Hon. Mr. Norton: You have not heard me say that tonight at all.

Mr. Martel: You tell me you are doing studies. We are studied to death.

Mr. Chairman: Can we carry on with the minister's statement?

Hon. Mr. Norton: It is very difficult to resist this stimulating exchange with Mr. Martel.

In addition, my staff is exploring possible abatement action on other sources.

The foregoing is a brief synopsis of Ontario's activity on a scientific level in trying to come to grips with acid rain. Our research is telling us clearly that something must be done, and we have mounted a major effort to see that action is taken both in Ontario and elsewhere.

Fifth, federal-provincial co-ordination: The

Ontario government has the day-to-day authority for setting and enforcing pollution standards. Our problem, therefore, would be minimal if acid rain were a local problem rather than an international problem. Because of the international scope of the problem, Ontario has been working very closely with the federal government and other provincial governments to examine the problem and to propose various abatement strategies.

At our most recent negotiations in Washington, in February 1982, Canada put forward a proposal that calls for a 50 per cent reduction in current acid gas emissions in both the United States and Canada. Ontario is on record as endorsing that position. If the United States agrees to this percentage reduction, we are prepared to sit down with our federal government and the provinces concerned to negotiate further reductions from Ontario sources as part of Canada's overall commitment.

Without a commitment from the United States similar to the one Canada is prepared to make, we cannot win the fight against acid rain. We anticipate a resumption of negotiations in June of this year. In the interim, the working groups established under the memorandum of intent, and in which Ontario is a very active participant, will continue to provide information that will assist in the preparation of a bilateral agreement to address the problem of long-range transport of air pollutants.

Sixth, legal initiatives and interventions: I know Mr. Martel has just been sitting on the edge of his seat waiting for this one. Ontario is totally committed to winning the fight against acid rain. During 1982-83, staff in the ministry's legal services branch will continue to assess the effectiveness of available legal instruments in regulating acid gas emitters. In addition, ongoing reviews of current regulations and control orders for sources of sulphur dioxide and oxides of nitrogen will take place in conjunction with current research on the best available abatement technologies.

In 1981, four interventions were filed in the United States. On January 4, 1982, Ontario submitted a consolidation of the testimony presented by Ontario at a hearing in Washington on June 19, 1981, to the United States Environmental Protection Agency. In addition, this submission incorporated information that brought up to date all the evidence Ontario had offered in respect of the proceedings before the EPA. Ontario is extremely concerned about the continued relaxation of state implementation

plans under section 110 of the Environmental Protection Act in the United States, and consideration will be given to intervention as appropriate. As well, we will be monitoring legal developments in the United States as they affect Ontario and Ontario's position on the long-range transport of air pollutants.

Seventh, public relations activities: Much time and effort have been expended over the past few years in raising public awareness about acid rain. We have been extremely active both in Ontario and in the United States. Our publication *The Case Against the Rain* and our film *Crisis in the Rain* have received, and will continue to receive, wide distribution. As a matter of fact, we have received an international award, the Gold Camera Award, for our film. Our director of communications attended the ceremonies in Chicago recently to receive the first-place award on behalf of the ministry in recognition of the excellence of the production, which is now in wide distribution throughout the United States.

Mr. Martel: Are you not worried about the American administration cutting back their budget by 12 per cent?

Hon. Mr. Norton: Sure.

Interjection: Where can we see this film?

Hon. Mr. Norton: The film was right here. Has it disappeared again, Bob?

Mr. Elston: Actually, I think you can go to the library and see it on videotape any day. I have checked that out.

Hon. Mr. Norton: That is an alternative. Since you have been flexible this evening, I will be flexible. It is available at a moment's notice, any time you want to see it.

Mr. Martel: If you can get a camera.

Hon. Mr. Norton: We will have one on Tuesday.

Mr. Elston: Please do not provoke the minister to do something we may not want to do.

Hon. Mr. Norton: We will have it all set up and ready to go on Tuesday night.

Staff of the ministry have completed an update on our brochure on acidified lakes, and I hope to provide members with the full technical report as soon as it is available from the printers.

You are aware of the very successful "visits" program conducted last summer and fall in co-operation with the Department of External Affairs and Environment Canada for US legislators, journalists and congressional aides. As part of the ongoing activities to present our case

against the rain to Ontario, consideration is being given to holding similar forums for similar groups within the province.

10 p.m.

The tour program had some influence on legislation introduced in Washington and one or two states and, through extensive feature reporting by US media, on public awareness among our American neighbours. Further activities in the United States will be considered in the light of developments in our negotiations with the federal administration.

I would like to move on to waste management.

Mr. Martel: We need it around here tonight.

Hon. Mr. Norton: We didn't before you arrived.

Mr. Martel: We need some waste management for all this stuff that is being recycled tonight.

Hon. Mr. Norton: Another of the very important aspects of the ministry's environmental control program is the regulation of waste disposal. In recognition of the importance of the program, I have appointed a full-time senior coordinator to analyse fully all the waste management activities in the ministry and to advise on alternative courses of action. I have reviewed the initial findings and recommendations, and am pleased to report that the ministry will be embarking on a number of far-reaching activities.

The ministry has made giant strides in the control of air and water pollution, and I am determined to see that at least as much progress is made in the waste disposal area. I am therefore considering the best application of the necessary resources in accordance with the importance of the waste disposal program. We have directed that the policies and procedures of the ministry be reviewed to ensure that owners, operators and proponents of waste disposal sites know precisely the requirements of the ministry. The administration of the requirements will be streamlined as much as possible, bearing in mind the need for stringent environmental safeguards.

I make special reference in this regard to the environmental assessment requirements with which all municipalities must comply. The additional requirements for the disposal of wastes continue to be an important priority for the ministry. This will be reviewed as part of a comprehensive review now under way.

I have directed that a complete review

carried out of those parts of the Environmental Protection Act and the accompanying regulations that concern disposal of waste. This legislation served the needs of the province well in the 1970s. However, significant developments over the past 12 years must be taken into account to provide effective legislation to support our programs in the 1980s and beyond. A member of the ministry's legal services branch is dedicating a large part of his time to this review and is working in consultation with the senior coordinator.

The source separation program announced in August 1981 offers financial and technical assistance to municipalities or private companies to implement new multimaterial recycling projects or to expand existing ones. Guides, information kits and promotional materials have been developed to assist project operators. Financial support has been committed to projects in the Halton region, the Niagara region and Richmond Hill. The two projects in Halton and Niagara also provide employment opportunities for the handicapped by their extensive use of such individuals.

Approximately 100 requests for source separation program details have been received since August. In addition to the funding already provided, proposals for funding of feasibility studies or startup grants are being reviewed for several municipal-scale projects in Stratford, Chawa, North York, Newcastle and Windsor. The recent startup of the new Ontario Paper Co. de-inking facility is expected to have a long-term, positive effect on source separation in Ontario. Further growth of recycling activities is anticipated because of more stable markets, especially for waste newspaper, and our assistance program.

The recovery of fine papers in government offices has been gradually expanding since 1979 to its current level, involving 12,000 government employees in 27 buildings. These recovery efforts will continue to expand in the provincial government, and the success of the project permits us to promote the adoption of similar projects by the private sector.

Recent advertisements in major Ontario daily newspapers have resulted in more than 400 requests from the private sector for information on implementing fine paper recovery. Some technical support will be made available to encourage such projects, and proposals for private office paper recycling will be encouraged under the source separation program.

As the members of the committee are well

aware, the Ontario Waste Management Corp. was established as a crown agency to develop and manage the operation of facilities for the treatment and disposal of liquid industrial and other hazardous wastes. Now that it has been determined that the original site proposed for the facility is unsuitable, the corporation is proceeding to investigate alternative sites.

The corporation's program to establish facilities involves three major technical projects. The first is an in-depth assessment of liquid industrial waste sources and the identification of the types and quantities of waste that are likely to be delivered to the corporation for treatment and disposal.

Mr. Piché: Is he going to read until 10:30 p.m.?

Hon. Mr. Norton: Pardon? Ministry staff are also assisting in this by providing information already available within the ministry.

Mr. Piché: I apologize, sir.

Hon. Mr. Norton: That is quite all right.

Mr. Piché: I just asked the chairman if you are going to read until 10:30 p.m.

Hon. Mr. Norton: Oh, probably well beyond that.

Mr. Piché: Okay.

Mr. Martel: Why don't you have them printed for you?

Hon. Mr. Norton: Have them printed? They are already—

Mr. Martel: Just give it to them and they will have it.

Hon. Mr. Norton: But you would miss the pleasure of interjecting. Part of my suffering through this is just to please you, just to give you an opportunity—

Mr. Martel: That does not seem a good reason: to get your jollies.

Mr. Piché: If you are reading only for Mr. Martel, I suggest they accept what you are going to say, because I do. Let them accept that, so we can get on.

Mr. Chairman: Since you are not a member of the committee, I would ask you to control your comments so we can carry on.

Mr. Piché: I thought I was substituting here.

Mr. Chairman: No, I do not have a slip.

Hon. Mr. Norton: The corporation's program to establish facilities involves three major technical projects, as I just mentioned, the first being the assessment of waste sources and the identification of the types.

The second project is an assessment of the various treatment and disposal techniques either currently available or under development. It will be essential to match the appropriate treatment techniques to the types and quantities of wastes expected.

The third project is the one that is probably of greatest concern to all of us. It is the investigation of potentially suitable sites for the facilities. In this investigation, the corporation is taking great care to seek out sites that will be suitably located relative to the sources of the waste and environmentally suitable for the types of treatment and disposal techniques under consideration. A wide range of areas and sites will be considered at this preliminary stage, and a broad range of environmental and social factors will be considered before shortening the list to specific sites.

The corporation is also conducting an information program to keep the public informed of all aspects of its work.

The members of the hearing panel on industrial waste management have graciously agreed to continue in the public review and assessment of any site proposed by the corporation.

If the members of the committee agree, Dr. Chant will be available to attend a later session of the committee's deliberations to answer members' questions and to provide further information on the projects and the progress of the corporation.

In the near future, my colleagues the Minister of Intergovernmental Affairs (Mr. Wells)—I trust he will be back with us soon enough to participate in it; otherwise, we may have to take it to him in hospital for signature—the Minister of Natural Resources (Mr. Pope) and I will be signing the new Canada-Ontario Great Lakes water quality agreement with the federal Minister of the Environment.

The new agreement, which replaces the current agreement, reflects the 1978 Canada-United States agreement directed at the control of industrial pollution and pollution from diffuse sources, such as urban storm drainage and agricultural runoff.

In 1971—and I am sure Mr. Martel will recall this vividly—prior to the original Canada-United States agreement on Great Lakes water quality, signed in 1972 and updated in 1978, Canada and Ontario entered into their first Great Lakes water quality agreement.

These agreements bring together the pollution control efforts of 11 federal, state and provincial governments in a joint undertaking

whose declared purpose is to restore and maintain the chemical, physical and biological integrity of the waters of the Great Lakes basin ecosystem.

10:10 p.m.

These agreements set out common objectives for water quality, the implementation of agreed programs and measures to achieve the objectives and the assignment of powers and responsibilities to the International Joint Commission which is charged with assisting governments implementing the agreement and overseeing the results. Since 1972—

Mr. Martel: Was that when you took Dr. Chemical to court?

Hon. Mr. Norton: Was it 1971? I cannot be sure. You can check the record.

Mr. Martel: We are still waiting for the decision. That's progress.

Hon. Norton: Since 1972, both countries have installed phosphorus removal facilities, while for Ontario have involved municipal sewage works expenditures of about \$1.2 billion for the communities located within the Great Lakes drainage system.

Canada and Ontario conduct co-ordinated research and maintain surveillance of the boundary waters of the Great Lakes. This surveillance, begun in the mid-1960s and formally conducted under the Canada-Ontario agreement of 1976, entails an annual expenditure of \$4.9 million by the two levels of government.

Over the period from 1972 to 1979, the United States federal government and the eight Great Lakes states have spent \$4.8 billion on municipal sewage works and are spending \$4.8 million a year for surveillance and monitoring. The new 1982 Great Lakes agreement between Canada and Ontario focuses on a number of major areas of concern to the province.

Environment Canada is providing grants of \$65 million over three years for sewage treatment projects in the Great Lakes basin. This replaces the former community services contribution program arrangement, which was administered by Canada Mortgage and Housing Corporation. Both parties agree to comply with objectives for water-carried industrial wastes, including sources of toxic substances and thermal and radioactive wastes. In this regard, all major Ontario industrial cleanup projects are under way.

In accord with the IJC recommendations of 1980, Canada and Ontario have agreed to undertake measures for control of pollution from pest control products, animal wastes,

handling and disposal of liquid and solid wastes, control of soil losses and efforts to encourage improved land use. Previous obligations to control pollution from dredging are renewed, including agreed guidelines developed by the water quality board. Earlier obligations concerning pollution from offshore and onshore facilities are also continued.

The agreement identifies programs for pre-clearing inventories, assessments and research respecting long-lived substances found in water. Control programs also include the disposal of hazardous materials, such as pesticides, waste petroleum products, sludges, dredged soils and industrial wastes.

By the terms of the agreement, Canada will participate in the cost of Ontario's Great Lakes surveillance program, which determines trends in water quality in the near-shore areas of boundary waters. Ontario will continue to conduct surveillance and assessments of municipal and industrial waste discharges and the effects of tributaries discharging to the boundary waters. The ministry's 1982-83 estimates include \$3.1 million for the continuation of this surveillance program.

So much of the work of the ministry appears to address problems after the pollutants have found their way into the environment. However, the ministry makes a serious effort to prevent pollution problems from occurring.

Important parts of the ministry's pollution prevention efforts involve the review of municipal and developmental plans, the review and approval of proposed municipal and industrial facilities which may ultimately result in discharges to the environment, and the review and approval of proposed waste disposal facilities.

This, of course, is a key to our entire effort: anticipating potential problems before they arise. If a new project or an expansion is liable to cause problems, we want to make sure those problems are identified at the outset. Then the applicant must satisfy us beyond any doubt that what he is proposing is environmentally sound. Otherwise, there will be no approval. My staff is now handling on the order of 10,000 approvals or renewals each year. Every one of those 10,000 represents an individual investigation or examination.

A most important aspect of pollution prevention is our education and public information program. I am pleased to report a significant increase in our public information activities,

designed in part to bring Mr. Martel into the current decade, the 1980s.

Mr. Elston: It is called Propaganda Ontario.

Hon. Mr. Norton: Our aim is not only to inform the citizens of Ontario about what we are doing but also to involve them in the important task of protecting and enhancing the environment.

One of our most successful field operations in educating students and the public in the province is the environmental explorations program. Although the ministry has had a formal education program since its inception in 1972, environmental explorations was not started until 1976. In that year, 21 locations were visited. In 1981, with three crews on the road, 161 locations were visited reaching an estimated 55,000 people.

This year, we will also be fielding three environmental exploration crews, and we already have received 475 requests for the program, the majority of these being from locations not previously served by the program.

The social and economic consequences of pollution can be costly. While this ministry is a firm believer in the "polluter pays" principle, we also recognize the burdens of pollution control costs. Such costs must be considered in the context of the benefits obtained and the risks or damages avoided.

Mr. Martel: Tell us the average findings.

Hon. Mr. Norton: They are increasing substantially.

Mr. Martel: What are they?

Hon. Mr. Norton: We can give you those figures. If you hang in throughout the estimates, I can assure you we will give you all the details on that. If not, leave your name and address and we will send it to you in the mail.

Mr. Elston: I wish the minister would not try to punish the regular members of this committee. We feel neglected.

Mr. Piché: Mr. Martel has been reading the newspaper all night. He is going to be leaving very shortly. I would not worry about him right now.

Hon. Mr. Norton: I will take your advice.

The ministry is well aware of the cost of pollution control, but is equally concerned about the economic cost of environmental damage, not only to present residents of Ontario but also to future generations. These studies will provide the ministry with a better understanding of the economic implications of new envi-

ronmental policy initiatives to protect Ontario's environment and the competitive position of its important industrial base.

Mr. Martel: Why don't you let Mike read for a while? You're tired, obviously.

Hon. Mr. Norton: No. My voice hasn't given out yet.

Significant efforts will be made towards improving and streamlining the traditional environmental monitoring and protection programs of the ministry. The adoption of computer technology is recognized as a critical step in increasing the productivity and effectiveness of ministry staff.

The development of two major computer systems will be undertaken in 1982-83. First, our six regional offices will be equipped with data processing equipment and telecommunications facilities so they can have direct access to existing ministry systems located in the Downsview computer centre. This will provide regional staff with much faster access to sample results from the laboratory, air quality information, industrial and municipal waste water discharges, waybills and waste disposal site information. For 1982-83, \$350,000 has been provided for this purpose.

Second, the ministry's air quality data collection system will be upgraded. The present system was established in the late 1960s and is becoming technically obsolete. A new and highly automated system will be installed with the following features.

It will allow all the ministry's continuous monitoring data to be accessible on demand without any intermediary manual involvement. While about half of the data are now telemetered instantly, there is currently four to six weeks' access time for the instruments not yet on the system.

It will permit increased sampling rates and, therefore, increased data accuracy. It will allow remote calibration of instruments. It will replace a variety of obsolete instruments with instruments that can run unattended for lengthy periods of time.

It will also permit expansion of the network into areas that are not now sufficiently monitored because of the capacity limitations of the present system. The sum of \$575,000 has been provided for commencing this project in 1982-83.

10:20 p.m.

In my opening remarks for the 1981-82 estimates a few months ago, I mentioned a number of revisions to the waybill system. These will be

forthcoming along with other operational improvements to the waybill system that will speed up reporting.

I would like to point out that the waybill generators, haulers and receivers seem to be accepting and understanding their reporting responsibilities very well. During 1981, the number of waybills that were unmatched and required follow-up action dropped very significantly. Out of a monthly average of 2,000 waybills, the unmatched waybills dropped from 134 in January 1981 to 15 in December 1981.

Mr. Elston: Is there any corresponding decrease in the number or volume of shipments from January to December?

Hon. Mr. Norton: No, I do not believe so. I do not think there is any significant shift in that. I can check to make sure, but I think it is indicative of the fact that people are becoming more familiar with their responsibilities and discharging them properly.

Mr. Martel: They have been using waybills since 1920.

Hon. Mr. Norton: You have brought us back to 1920 now, have you?

Mr. Martel: The waybills don't get lost. An old railroader will tell you that.

Hon. Mr. Norton: Next you are going to be explaining to us the significance of May 24. That was back in the time of Victoria.

Mr. Martel: I am not a WASP.

Hon. Mr. Norton: Several other enrichment programs have been provided to increase our technical capabilities. Funding of \$120,000 has been allocated to equip each regional office with mobile communications equipment for responding to emergencies. Funds totalling \$122,000 for staff training in dealing with spills and emergencies have also been provided. Our laboratories have been assigned a \$500,000 budget for equipment upgrading and replacement.

In keeping with the ministry's efforts to improve enforcement of the environmental legislation, we are currently developing a system for the commencement of certain prosecutions utilizing part I of the Provincial Offences Act. This will allow for quick, efficient treatment of charges falling under these "simple justice" provisions of the act, thereby saving valuable court and staff time.

Areas of the environmental legislation that come within this system fall into two broad categories. The first is legislation where the courts traditionally impose small fines up

conviction for first offences—for example, violations of standards for private sewage systems, such as septic tanks, pleasure boat sewage disposal and motor vehicle emissions.

The second is legislation where the actual violation does not itself have environmental impact but where substandard behaviour by an offender has the potential for such impact.

For example, the computerized waybill system that we have developed to assist in the monitoring of the generation, transportation and disposal of liquid industrial wastes requires prompt delivery to the ministry of the completed waybills. If these waybills are not returned or used, the effectiveness of the program is weakened. Prompt legal action on our part will assist in ensuring future compliance with the relevant regulation, which in turn will maintain an effective monitoring program.

Another area of the legislation falling under the second category is that dealing with violations of standards for the maintenance and operation of waste disposal sites. Such violations do not necessarily result in environmental degradation in any given instance; however, a real potential for environmental impact exists if continued noncompliance with the standards is allowed. I am confident that in developing this approach to relevant areas of our legislation, we can assist in making more efficient use of the courts and our enforcement staff.

The more serious charges arising out of pollution activity will of course continue to be pursued under the more formal procedures of Part III of the Provincial Offences Act, which is the procedure used for all our current prosecution activity.

The annual circulation of the Guide to Eating Ontario Sport Fish, distributed free to anglers and the general public, has climbed to 200,000. These booklets have been revised substantially this year, incorporating the most recent information on dioxin in the Great Lakes. They now cover more than 70,000 fish samples from more than 1,100 bodies of water, including 139 Great Lakes locations. As members know, copies of the new edition now are available, and we would be pleased to give each member a supply for his constituents, if he so desires.

Mr. Chairman: We won't take the time right now, but we appreciate it.

Hon. Mr. Norton: I am sure Ms. Fish would be it for those of her constituents who fish off the heating plant.

Ms. Fish: That is correct. In fact, I was hoping

you might review for us the content of the brochure so that we would have an opportunity of going through it in some greater detail and focusing upon it. I suspect there might be some questions that would arise as well.

Hon. Mr. Norton: I would be delighted to do that, as a matter of fact. Do you want that after—

Mr. Kolyn: After the movie.

Hon. Mr. Norton: This is a major program in public information unequalled in any other jurisdiction. You just cannot—

Interjection.

Hon. Mr. Norton: I am sorry, Ms. Fish, you should not do that to me.

Mr. Chairman: Let the record show that that was the interjection about the fish book.

Ms. Fish: Clarify the record.

Mr. Elston: Mr. Williams has been teaching his troops about clarification.

Hon. Mr. Norton: Actually, you cannot find so much information on sport fish quality published or indeed collected anywhere else. As a matter of fact, what we are doing is being used as a model throughout North America by those other jurisdictions that would like to be able to emulate—

Mr. Elston: It really is a shame that we have to be used as a model for reporting this sort of information.

Hon. Mr. Norton: Yes. The fact of the matter is that essentially all industrialized jurisdictions have similar problems. It just happens that we are dealing with them much more effectively than any others. Surely we all regret the experience of the past when less was known about the consequences of our industrial activities.

Mr. Elston: Not according to the departed Mr. Martel.

Hon. Mr. Norton: Mr. Martel is lingering and mouldering away about a decade and a half ago. He has not yet entered the decade of the 1980s but I hope, if he comes back to further sessions of this committee over the next week or two, that we can bring him along with us on a gradual basis.

Mr. Charlton: Mr. Martel would have been much happier if we all had not entered the 1980s carrying all the pollution of the 1960s and 1970s with us.

Hon. Mr. Norton: I suppose everyone would have been happy if we had not inherited the problems of the past, but with our greater

knowledge today we are becoming more and more aware of the fact that these problems were created and that is no excuse for not dealing with them effectively, as in fact we are. You cannot fault us for being effective in dealing with problems from the past.

Mr. Elston: I think the fault lies with not being effective in the past in dealing with the problems that were mounting at that point.

Hon. Mr. Norton: In many instances, of course, there was not the level of awareness commensurate with the present level of awareness. I think that is the significant problem.

Mr. Elston: That is partly correct. I do believe that we did have some of the problems well spotted, certainly in the early 1970s. Had we put some funds or resources in place at that point we could have reduced our impact—

Hon. Mr. Norton: We could and we will go through, over the next week or two, however long this—

Mr. Elston: Maybe we could extend the number of hours in case you don't have enough time.

Hon. Mr. Norton: Actually, what I would suggest is that when we have completed the discussions on the estimates, which I am sure will serve only to create a greater intellectual curiosity on your part for the imaginative programs this ministry has undertaken to deal with environmental protection, I would be quite pleased to carry on some kind of a tutorial arrangement to bring you up to date if the 16 hours allocated is not sufficient. I will do my best in the next 10, 11, 12 hours, whatever is

allocated, to provide you with as much information as you can absorb.

Mr. Andrewes: Mr. Chairman, perhaps there might be a convenient place to break.

Mr. Chairman: It is not 10:30 yet.

Mr. Elston: I would not be at all upset if finished. We have only a few more pages.

Ms. Fish: We have to be able to digest the material as it is presented.

Mr. Elston: I am saying that it is a shame to break it up.

10:30 p.m.

Mr. Williams: Mr. Chairman, I suggest that the minister take us down to the last full paragraph on page 61, where he will be getting into a new topic about the environmental management studies.

Hon. Mr. Norton: We will finish the first tonight.

Apart from the important aspect of public health information—I am referring now to the fish guide program—this is a major scientific monitoring activity on the part of my ministry and the Ministry of Natural Resources. Through the program, we have been able to document significant declines in contaminant levels in certain Great Lakes fish species. I want to emphasize that these indicate the effectiveness of pollution controls developed by the ministry. At the same time, this and other information collected points to areas that require more attention.

Tune in Tuesday for the balance of the information.

The committee adjourned at 10:32 p.m.

CONTENTS

Thursday, May 27, 1982

Ministry administration program:

Main office. R-139

Adjournment. R-164

SPEAKERS IN THIS ISSUE

Adrewes, P. W. (Lincoln PC)

Carlton, B. A. (Hamilton Mountain NDP)

Fiton, M. J. (Huron-Bruce L)

Fh, S. A. (St. George PC)

Frris, M. D., Chairman (Nipissing PC)

Frrio, V. G. (Niagara Falls L)

Flyn, A. (Lakeshore PC)

Fughren, F. (Nickel Belt NDP)

Farrel, E. W. (Sudbury East NDP)

McNeil, R. K. (Elgin PC)

Morton, Hon. K. C., Minister of the Environment (Kingston and the Islands PC)

Lehé, R. L. (Cochrane North PC)

Okes, J. E. (Lake Nipigon NDP)

Williams, J. R. (Orillia PC)



Ontario

LEGISLATIVE ASSEMBLY

No. R-7

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Resources Development
Estimates, Ministry of the Environment



Second Session, Thirty-Second Parliament
Tuesday, June 1, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.



LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Tuesday, June 1, 1982

ESTIMATES, MINISTRY OF THE ENVIRONMENT

(continued)

The committee met at 8:06 p.m. in room 151.

Mr. Chairman: I will call the meeting to order. The minister is quickly and ably—

Hon. Mr. Norton: Winding up.

Mr. Chairman: —going through his—

Hon. Mr. Norton: Brief opening remarks.

Mr. Chairman: —brief opening remarks, I am glad. I was asking the minister to feed me that. Could you carry on, Mr. Minister?

Hon. Mr. Norton: Mr. Chairman, my recollection is that at the conclusion of the last sitting committee we had just discussed the fishing slides that are put out on a regular basis by the ministry. We were beginning to move to a discussion of water quality, particularly initially it relates to Lake Ontario.

I do not have a light on this microphone. I do not know whether I am lit or not. Am I coming through? Can you hear me?

Interjection: Very poorly.

Hon. Mr. Norton: Oh, dear. You mean I have a project.

Mr. Elston: There has always been a feeling that there has been improper communication directed towards the members of your staff.

Hon. Mr. Norton: I have always thought this room was decorated like a bordello, which is often designed to dampen the sound.

Mr. Kolyin: Maybe that's its usual activity.

Hon. Mr. Norton: I hope so.

Mr. Chairman: I am advised the sound system not working to the back but it is recording.

Mr. Williams: You are three quarters of the way down page 61.

Hon. Mr. Norton: Page 61, that is right, if you would like to follow I will try to stick to the erbatim account.

Mr. Elston: That goes back to antiquity provided by the—

Hon. Mr. Norton: That is right. I will not go through, for Ms. Bryden's benefit, a full recap of the remarks from the last evening's sitting.

However, perhaps we can start out this evening by discussing briefly some of the environmental management studies that we are either initiating or enhancing during this fiscal year.

The first is a comprehensive study of the Toronto-area waterfront. Recent studies indicate the near-shore areas of Lake Ontario in the greater Metropolitan Toronto area show severe impact from human activities in the tributary watersheds. The water courses draining these watersheds have impaired water quality as a result of agricultural drainage, urban storm water runoff, combined sewer overflows and effluent discharges from water pollution control plants.

While it is recognized that the various municipalities within these watersheds have water management programs to resolve problems within their own jurisdictional boundaries, there does not now exist a comprehensive water management strategy that adequately includes water quality management. Control of pollution in watersheds would improve the water quality of the near-shore areas of Lake Ontario affected by these watersheds.

The 1982-83 fiscal year will include a major funding enrichment for development of a management study area strategy for pollution control in the Toronto area's watersheds and lakeshore area. The study area encompasses the Humber, Don River and Mimico Creek watersheds. The goal of the Toronto area watershed management strategy study is to develop a comprehensive water management plan for the study area that would maintain or upgrade water quality in the upper stream reaches, and upgrade stream and near-shore lake water quality in urbanizing and existing urban areas to make these waters more suitable for aquatic life and other beneficial uses.

Mr. Williams: I do not think you are giving any credit at all to the Metropolitan Toronto and Region Conservation Authority in your comments.

Hon. Mr. Norton: We will deal with that if you like in more detail—

Mr. Williams: Later on.

Hon. Mr. Norton: A little later on, sure. I am

not suggesting that they have not played a significant role.

8:10 p.m.

To fulfil this goal, three specific objectives have been defined:

1. To better define water quality problems in an overview of the study area by compiling and augmenting data on surface water quality and pollution sources, comparing water quality data with the provincial water quality objectives, and identifying possible effective control options to reduce water pollution problems; and to set priorities in watersheds for further abatement, research and demonstration projects.

2. To carry out detailed analyses of selected rural, urbanizing and urban subwatersheds and to conduct demonstrations of suitable remedial measures to reduce pollutant loadings to receiving streams or near-shore areas of Lake Ontario.

3. To develop a realistic and comprehensive water quality management strategy for rural and urban developments, based on watershed needs and water uses, and yielding controlled pollutant loadings to the study area's streams and Lake Ontario's near-shore area.

This study will provide for the maintenance and improvement of water quality during a period of increasing waterfront usage.

The ministry has also enhanced its funding of the Lake Simcoe study. The goal is to restore the water quality of Lake Simcoe to a level that will support a cold water fishery. As excessive phosphorus inputs have been identified as the main cause of the deterioration of the cold water fishery in Lake Simcoe, the objective of the strategy is to reduce the phosphorus loadings to the lake. To date, three programs have been initiated to achieve this objective.

The first program involves the diversion of sanitary sewage from the Aurora and Newmarket sewage systems via the York-Durham trunk sewer to the Duffin Creek sewage treatment plant at Lake Ontario. This diversion will be completed by 1984.

The second program calls for the reduction of the phosphorus loadings from the Barrie and Orillia sewage treatment plants by reducing the effluent phosphorus concentrations from one milligram per litre to 0.3 milligrams per litre. To initiate the implementation of this objective, treatability studies were conducted at both Barrie and Orillia sewage treatment plants. The interim reports suggest that this objective can be met. Negotiations are beginning with the municipalities to decide on additional treatment facilities to be installed at these plants.

The third program involves an investigation of methods that would reduce phosphorus loadings from agricultural and urban runoff in a basin.

The agricultural component of the man-caused phosphorus loadings is of a similar magnitude to that of the sewage treatment plant effluents. When the first phase of the phosphorus loading reduction program is implemented it will be the largest man-caused source. The agricultural loadings come from a number of diffuse sources, such as the erosion from cultivated lands, nutrient enriched runoff from agricultural lands, manure storage and land drainage improvement projects.

The urban storm water loading is another significant one. This component will increase further with continuing urban development unless better storm water management is applied to these areas. The use of sedimentation ponds during construction of land development projects and the incorporation of wet and dry ponds in storm water drainage systems will reduce peak flows and contamination loadings to receiving streams and lakes.

In 1981, to address the non-point phosphorus loadings from agricultural and urban sources, studies were initiated by the Ministry of the Environment in co-operation with the Southern Lake Simcoe Conservation Authority, which is managing aspects of these studies and their administration.

In 1982, funding has been increased to \$327,000 for these purposes:

1. Monitoring all agricultural areas draining to Lake Simcoe and determining phosphorus contributions with emphasis on the Holland Marsh area;

2. Investigating the treatability of the Holland Marsh pump-out waters;

3. Engaging in demonstration projects for control of erosion and pollution from agricultural lands;

4. Initiating a study of nutrient and pesticide sources and pathways in the Holland Marsh;

5. Initiating a public education program to assist in remedial measures.

These studies are an important step in determining where effective measures can be taken to reduce loadings to Lake Simcoe.

Finally, we are initiating an intensive monitoring program in the Elliot Lake area in response to the recommendations of the environmental assessment board and the growth of the uranium processing industry. For this purpose \$300,000 has been provided.

A large part of the ministry's budget involves the provision of grants and support to municipalities to enable them to provide adequate service for the protection of the local environment and public health. The support includes plans, project management, technical advice and, in some cases, operation.

Direct grants to municipalities to assist with the construction of water and sewage works will amount to \$91.9 million, an increase of \$11.8 over 1981-82. The success and attractiveness to municipalities of this program has been well demonstrated, since direct grant funding was given greater prominence in 1978. Small municipalities may receive grants of up to 75 per cent of the cost of a facility.

Mr. Elston: Some may not.

Hon. Mr. Norton: That depends entirely on the formula calculation. In fact, 75 per cent is an upper limit and it can be very substantially below that or, as you have identified in one particular case, which is not isolated, in some cases, given the population of the community, and the kind of per hook-up cost as this is calculated into the formula, they may be eligible for no direct assistance.

Mr. Elston: They may even be cut back from the calculations that were previously submitted to another minister.

Hon. Mr. Norton: Especially if they were in error.

Mr. Elston: In the opinion of the present minister.

Hon. Mr. Norton: No, it is not a matter of opinion. It is a matter of fact. I suspect we may well get into that later on, especially if Mr. Elston is going to come in to discuss that particular matter with us.

Mr. Elston: You may need your umbrella.

Hon. Mr. Norton: Is that because you might be spitting on me or what?

Mr. Williams: Wasn't that the type of program the provincial Treasurer was on up in Thunder Bay a couple of weeks ago?

Hon. Mr. Norton: There were a several of us in Sault Ste. Marie.

Mr. Elston: And two of you were able to escape actually. By the next day only two of the four cabinet ministers had returned and we thought somehow you had—

Hon. Mr. Norton: I always manage to escape.

Mr. Williams: For the record, what was the cost of that project?

Mr. Elston: Sixty-nine point something million.

Hon. Mr. Norton: Very close to \$70 million.

Mr. Elston: Largely funded through the Department of Regional Economic Expansion program, I understand.

Hon. Mr. Norton: I might say that the largest single contribution to the whole, I think, comes from our ministry.

Mr. Williams: How much was that again?

Hon. Mr. Norton: Our contribution is about \$11 million.

Mr. Williams: That is the major part of the cost?

Mr. Elston: No, \$69 million.

Hon. Mr. Norton: It is not the major part of the total but the major part of the provincial contribution.

Mr. Williams: That is very significant.

Hon. Mr. Norton: I am not sure of the precise figure.

Mr. Williams: I think they put in the heavy end of the loading, didn't they?

Hon. Mr. Norton: They put in a significant amount and so did the Ontario Ministry of Treasury and Economics.

Mr. Williams: They directed it through that?

Hon. Mr. Norton: I might just add, the figure I just quoted of \$91.9 million does not include the \$5.6 million that was allocated in the provincial budget. I am not sure whether that is mentioned later on.

Mr. Williams: Since we are adding that on, how much of the \$91.9 million plus the extra allocation in the budget is going to come back to the government in sales tax?

Hon. Mr. Norton: I have no idea.

Mr. Elston: He may end up reducing it. You may get your \$5 million back from the provincial Treasury a long time later.

Hon. Mr. Norton: A lot of this would be in labour costs as well. This particular form of labour I do not think is taxed.

Mr. Elston: The materials are. I think the general rule has been that you are looking at half material, half labour as a rough guideline.

Hon. Mr. Norton: Yes.

Mr. Elston: Thirty per cent.

Hon. Mr. Norton: No, we will not get back our \$5 million. We will not get it back in any event.

Mr. Elston: You are going to get about half of it anyway, and maybe a little bit more.

Hon. Mr. Norton: We would have to check those calculations out.

Mr. Andrewes: Is that northern Ontario mathematics?

Mr. Elston: Thirty per cent of about \$100 million is going to be \$30 million and take seven per cent of that. That is close to half the \$5 million. You are only out \$400,000. That is less than you are spending on advertising.

Hon. Mr. Norton: We are modest.

8:20 p.m.

Mr. Elston: We have to point out these things. If you bring up all this extra money you are giving away, we have to tell you what extra money you really have.

Hon. Mr. Norton: I think it is a rather ingenious scheme myself.

Mr. Elston: Yes.

Hon. Mr. Norton: The ministry's budget also includes funds for the operation of 90 provincial water plants and 220 sewage plants supplying services on behalf of some 200 municipalities. This budget has increased by \$10 million in 1982-83 to a level exceeding \$60 million.

Last summer, 20 years of federal government assistance towards the cost of construction of sewage and waterworks was abruptly cut off when the community services contribution program was terminated in 1982.

Mr. G. I. Miller: Do we have any extra copies of the opening statement?

Mr. Chairman: The clerk is ill tonight. We have a clerk filling in who has gone to see if he can find copies.

Hon. Mr. Norton: This cancellation of the CSCP happened only two years after the program had been revised with the understanding that a long-term co-operative program would be developed during that period. The annual loss of grants to Ontario municipalities exceeds \$50 million.

Mr. Elston: That is shocking—

Hon. Mr. Norton: It certainly is.

Mr. Elston: —in terms of the fact I do not think there was much recognition given to the federal government during the occurrence of the federal program when it came time to open these facilities.

Hon. Mr. Norton: We have never denied them any credit. It is true they were very sensitive, as they are in most areas these days.

Mr. Elston: They have recently become so but I understand that the opening of a lot of these provincially monitored facilities was basically a provincial ceremony, something akin to the opening of housing projects with which we have become so familiar.

Hon. Mr. Norton: I have recently been at the opening of housing projects and everything else under the sun. I have yet to see one where there was not a federal presence. In fact, in some cases the federal minister would not be there; they even revitalized a Senator and sent him along. That is just to show you how much they really wanted to have a federal presence.

It is true that is an area of concern, in social programs and in post-secondary education. In fact, that may be a stronger influence on the decisions relating to funding for post-secondary education than almost any other from the kind of rhetoric I have heard from our federal government.

It may well put some money back into the system and try to do it through a direct contribution program to get a higher profile in terms of the recognition it feels it has not been receiving over the last number of years. We have always thought it was quite capable of looking after itself in those areas and usually it was, in my experience.

When we pointed out that this abrupt termination resulted in the abrogation of the obligation under the Great Lakes water quality agreement, negotiations led to a further \$65 million becoming available through Environment Canada to meet the federal obligations under the Canada-Ontario agreement for sewage works construction in the Great Lakes basin. This money is to be transferred over three fiscal years and will allow further cushioning of the loss of the federal assistance.

Mr. Elston: Is this being transferred to your ministry?

Hon. Mr. Norton: It will be through the Treasury.

Mr. Elston: Yes, but will it go into your budget?

Hon. Mr. Norton: It will be part of the expenditure on sewage treatment. It does not apply to water treatment.

Mr. Elston: Okay. You will not be incorporating the \$65 million over the next three fiscal years as part of your spending estimates. I presume it will be isolated from the amount you are actually allocating.

Hon. Mr. Norton: No, it would be part because it is just another source of revenue.

Mr. Elston: But it will be set out separately, designated with an asterisk and will say, "Provided by the federal government," or something like that?

Hon. Mr. Norton: No, I do not think so.

Mr. Castel: There is reference to the community services program if you look at your book of estimates.

Hon. Mr. Norton: It normally would not be the practice to separate it out and say, "This portion comes from the federal government," any more than we would say, "This portion comes from income tax; this portion comes from corporate tax and this portion comes from something else." They are just different sources of revenue.

Mr. Elston: But in applications the municipalities make for assistance from the province, they always have to set out what portions they are going to carry themselves. I just think that if there is a portion that is going to come from an individual government agency, it should be earmarked the same as with the municipalities. They must decide how much they are going to have to pay—

Hon. Mr. Norton: These are direct transfer payments. We shall just check and see how these are broken out.

Mr. Castel: It says Canada-Ontario grant.

Hon. Mr. Norton: That is right. In fact it is broken out. That just shows you how generous we really are.

Mr. Elston: It shows how generous they are.

Hon. Mr. Norton: Obviously I did not prepare those. I would not have been nearly so generous myself. I would be more inclined to point out that Ontario receives a smaller portion of its revenues and transfer payments from the federal government than any other province in this country, something in the range of 18 per cent, which I think is scandalous. If the federal government transferred to Ontario anything approaching the average of what it transfers to other provinces in this country as a proportion of the provincial budget, we would never have been a deficit in this province. However, we are not only the lowest spending province per capita, but we also receive the least per capita from the federal government.

Mr. Riddell: Would Clark have done anything better for you?

Hon. Mr. Norton: Oh, sure.

Mr. Riddell: Then why did you pull the rug out from under him? Why the heck didn't you leave him in there?

Hon. Mr. Norton: We did not pull the rug out from under Clark.

Mr. Riddell: You sure did.

Hon. Mr. Norton: I was out there on the hustings, hustling around doing everything I could.

Mr. Williams: I suggest to the minister we should tear out page 70 of his speech and deliver it to Mr. Elston, to deliver it personally to the Honourable John White.

Mr. Elston: John Roberts.

Mr. Williams: I mean John Roberts.

Interjection: A man of great vision.

Mr. Chairman: Members of the committee, we are cutting into the film time and perhaps we could carry on.

Mr. G. I. Miller: Do we have a late show?

Mr. Elston: I remind the minister he is going to be performing, I presume, at 10:30 this evening or after.

Hon. Mr. Norton: Is it tonight? It is much more interesting to read Hansard.

Mr. Elston: The Environment and Energy Ministers will be singing a duet.

Hon. Mr. Norton: To protect the financial interests of small municipalities, the province undertook to replace fully community services contribution program grants where projects were already under way or had Ontario Municipal Board approval. The provincial grant will be increased because there is no federal contribution and, therefore, the net cost is the gross cost.

Grants are also provided to municipalities to assist with the problems of termite infestations. We cover all the bases. The present goal of the program is to control termite infestations in Metro Toronto where there is an extensive threat to buildings, and to eradicate termites elsewhere in the province. The ministry has assisted municipalities and home owners since 1976. Annual assistance in the form of ministry grants has increased from \$24,500 in 1976-77 to \$370,000 in 1981-82. The 1981-82 grants were raised from the budget estimate of \$200,000 to meet heavy expenditures from more intensive control efforts by the city of Toronto, and \$500,000 has been approved in 1982-83.

Mr. G. I. Miller: Did you help eradicate the beetles in Dunnville?

Hon. Mr. Norton: No, we do not get into beetles.

Mr. G. I. Miller: I guess the termite and the beetle are different animals.

Hon. Mr. Norton: They are different, yes. Termites are much smaller than beetles, unless you have a little beetle.

Mr. G. I. Miller: There is a problem—

Hon. Mr. Norton: We do not normally get into controlling agricultural pests.

Mr. G. I. Miller: These are within the municipality.

Hon. Mr. Norton: What kind of beetles are you talking about?

Mr. G. I. Miller: I am not sure what kind, but there was a real problem. I know the federal government was involved in it. I just wondered if your ministry—

Hon. Mr. Norton: No. We do have some involvement, though not financially, with the control of certain kinds of pests. For example, we provide advice about things like carpenter ants, where they are infesting private homes, and that type of thing. The only area in which we are involved in funding—

Mr. Laughren: We can't hear you.

Hon. Mr. Norton: I am sorry, the system is not projecting tonight. I am trying to, but—

Mr. Wildman: It is just that we have emission controls on the minister.

Hon. Mr. Norton: I am sorry. I will have to emit more profusely. Do you feel left out, Floyd?

Mr. Laughren: Yes, I do.

8:30 p.m.

Hon. Mr. Norton: I'm sorry.

Mr. Laughren: I am not entirely opposed to being left out of a coalition between the Tories and the Liberals, but I would like to hear what is going on.

Mr. Williams: There was some criticism levelled at an early point by the termite extermination industry in Toronto, suggesting that the ministry was going to reduce its support of the termite control program in Metropolitan Toronto. What is the current status of that? You indicate \$500,000 has been provided for 1982-83. Is that a reduction or an increase?

Hon. Mr. Norton: It is certainly not a reduction. It is an increase over what we first announced, which was an increase over the base budget from last year. What gave rise to that concern

was the fact that by the beginning of this fiscal year the city of Toronto had already received applications that had used up its budget for 1982-83. We, therefore, advised the city that it had reached the limit of our allocation and that it ought to hold off on further applications. This immediately gave rise to the concern that we were somehow cutting back.

As an interim measure, we have managed to find money in other budgets and reallocate it to raise the termite funding to \$500,000 this year to enable some further approval of applications. At the same time, and this may be included in the balance—no, it isn't.

Mr. Williams: So the criticism was totally premature and unfounded?

Hon. Mr. Norton: Totally unfounded in terms of cutbacks, yes.

The other thing we are doing as a result of that concern is a complete review of the program, and of programs in other jurisdictions, at my request. As a layman, frankly I am not satisfied that the approach we have been taking in Toronto is an effective one. I think that is concurred in by some people who are much more expert than I am. It struck me that the hit-or-miss approach whereby Toronto was responding simply to individual applications was not necessarily having much effect in terms of the overall control or eradication of termites.

We are now looking at the possibility of developing new and more effective strategies in the application of the funds available. I expect to have a report from the group that has been working on this at some time in the latter part of this month. I think that touches on the contents of the next paragraph.

Mr. Riddell: Mr. Chairman, would you permit a point of order here?

Mr. Chairman: I have allowed almost everything else in here.

Mr. Riddell: Perhaps the procedure has changed and I am not aware of it, but normally we allow the minister to make his introduction without interruption. Then we are enlightened by the opening statement of the official opposition critic, and then we endure the statement of the New Democratic Party. It seems to me we are just going all over the place on these Environmental estimates.

I suggest we allow the minister to complete his comments so that we can get on with the comments of the critics, or whatever else may follow.

Mr. Wildman: Interminable as they may be.

Mr. Chairman: I think you are quite right on procedure. We have allowed the odd interjection for clarification as we go along. I would agree we are at a point where if we allow it to go any further we may be exceeding that mandate, and I concur that the minister should carry on.

Hon. Mr. Norton: Thank you, Mr. Chairman. I might say, before carrying on, what has just been observed is a comment on my flexibility in responding to the questions initially put to me by the critic for the official opposition.

Mr. Elston: About termite.

Hon. Mr. Norton: The pattern was established by the critic and we were responding in our usual flexible way to his wishes.

Mr. Laughren: Not flexible, but wishy-washy.

Hon. Mr. Norton: Control yourself, Floyd. You will get your chance.

Mr. Laughren: I have a 1975 report here.

Hon. Mr. Norton: I am sure you have. You do not even have to produce it any more. You must have it memorized by now.

For 1982-83, the ministry is striving to meet the many environmental challenges facing this province. The establishment of new organizations, such as the Ontario Waste Management Corp., will permit us to address more of these issues in a more comprehensive manner than otherwise would be possible.

The ministry has, however, been able to apply additional resources to a wide range of important areas and concerns, such as the Niagara River improvement team, the acid precipitation studies, the Great Lakes surveillance program—

Interjection.

Hon. Mr. Norton: There you go. Would you like me to embark upon telling you right now or to finish this and come back to it?

Mr. Riddell: Finish, for goodness' sake.

Hon. Mr. Norton: You and Jack get together and sort it out. I am in the hands of the committee.

Mr. Laughren: It's just a sellout.

Hon. Mr. Norton: I will continue by mentioning the Elliot Lake monitoring program, the hazardous contaminants inventory and research fund, the upgrading of the air quality network, improvements to the environmental assessment process, additional emergency response equipment, expansion of the resource separation project, laboratory analysis equipment, socioeconomic studies, regional environmental abate-

ment programs and grants and support for municipalities.

I look forward to discussing these and other environmental concerns as we proceed with the review of the estimates. Since the beginning, I think a booklet has been provided to each of the committee members outlining the work and responsibilities of each of the programs and activities of the ministry. The booklet also compares the budgets for 1981-82 and 1982-83.

After members have completed their opening comments, I would like to ask that we deal with the estimates in the order in which they appear in the booklet. This will enable us to have appropriate staff on hand to assist in answering your more detailed questions.

There is a great deal to be done to improve the quality of the environment, and it is my hope that the deliberations of this committee will promote the cause of the environment to bring forward new ideas and assist in the understanding of some of the current issues and problems we face.

I will elaborate more fully on those remarks later.

Mr. Williams: Mr. Chairman, is the film to be done in conjunction with or complementary to the minister's opening statement?

Mr. Elston: Perhaps I can make a comment on the film.

Hon. Mr. Norton: How can you comment on it if you haven't seen it?

Mr. Elston: I think it would be inappropriate to view it at this point. Since we have gone on at length with the minister's opening remarks, perhaps we could view the film at some other point.

Hon. Mr. Norton: The only reason Floyd came was to see the movie.

Mr. Elston: Perhaps the minister or his officials could arrange to have popcorn and refreshments available and we would be able to settle right in and see the film. Could we get on with the rest of the estimates? I think we are running a little behind what we would have ordinarily.

Mr. Williams: I do not think we should make light of the fact that we have an award-winning film here which was spoken about at some length in the last meeting.

Mr. Riddell: Properly censored, I trust.

Mr. Williams: I understand it is a most enlightening film. I wonder how long the film is. If it is only 10 or 15 minutes—

Hon. Mr. Norton: It's 27 minutes.

Mr. Williams: I see. Considering the fact that the staff has brought the equipment here three times now to show it to the committee, I think we should allow time and, if necessary, give the opposition 27 minutes later on. I think we should be given an opportunity to see the film. I think it should be tied in with the minister's presentation.

Mr. Chairman: I believe we discussed the film at one previous meeting, at which time the minister indicated the film was available if the committee members wished to view it. I would suggest that, by saying that, he perhaps dissociated the film from his opening remarks. Normal procedure is to go to the opposition critics at this stage. After that, if committee members wish to see the film, we are at the discretion of the committee.

Hon. Mr. Norton: Then I might have to come back again.

Mr. Chairman: I have discussed that with the staff, and I think they have decided to bring it back next day.

8:40 p.m.

Mr. McNeil: The only thing is that we are sitting in a different room tomorrow, and if we are seeing the movie—

Mr. Chairman: I share your concern. I too would like to see the film, and I hope we will have an opportunity. If Mr. Elston wants to defer to the film, that is entirely up to him.

Mr. Elston: I do not mind seeing the film as long as we add on time to the estimates.

Mr. Chairman: We are in estimates, and I have offered you the floor. I suggest you take it before we get going.

Mr. Elston: Okay, Mr. Chairman, I will take the floor. Thank you for allowing me to speak. I noticed the minister's curiosity; he was interested in this picture. I might ask all members of the committee if they would want this man as their Minister of the Environment. I do not know about the rest of you, but it says "Keith Norton: You have my word" underneath that—

Hon. Mr. Norton: It must be from the Toronto Star, is it?

Mr. Elston: It is from the Ottawa Citizen.

Hon. Mr. Norton: The Ottawa Citizen?

Interjection: That's your high school picture, is it not? Congratulations.

Mr. Elston: I am not sure where it came from, but I think it has been sent back.

Mr. Riddell: You have bags under your eye there. Did you not have a good day?

Hon. Mr. Norton: Those of us with heavy responsibilities often have bags under our eyes.

Mr. Elston: Mr. Chairman, members of the committee, it is my pleasure as Liberal Environment critic to embark on an examination of the estimates of the Ministry of the Environment, the ministry whose credibility will be on the line during the remainder of 1982 and whose action or inaction was examined by members of this committee only five and a half months ago.

In relation to this I noticed something that is becoming a hallmark of the various ministries in this government, which is that they keep flashing back and digging up programs to bring forward in their opening statements that have been in existence for a little while.

I note that we are always after the Minister of the Environment to recycle as much material and to use it as often as he can. But I notice in these opening remarks that they have gone a long way towards recycling a number of his previous press releases.

I notice now that he opens his concluding remarks by saying that in 1982-83 he is striving to meet the environmental challenges, and he proceeds to talk about the establishment of new organizations such as the Ontario Waste Management Corp. Of course, that was started last year, but it seems we are going to get it recommissioned this year. I suppose it will be commissioned again the year after that, and a long time after it has been commissioned we may finally get a report from them and find out exactly what studies have been done and how far they are progressing. It will be interesting to see what is happening on that front.

More than a decade ago, in the early 1970s, the then Minister of the Environment (Mr. Kerr) stated that it was industry's responsibility to clean up its waste; it was the "polluter must pay" concept. There were other, similar ringing declarations, which led the people of Ontario to believe that government action was just around the corner. It seems to me the corner has not yet been reached in very many of the concerns that were raised at the time of Mr. Kerr.

When the Environmental Assessment Act was introduced, it was regarded as a hopeful sign that Ontario would lead all other jurisdictions in the quality of its environmental protection legislation. The sad truth is that over the past seven years the legislation has been remarkable for the avoidance of its application rather than for its effectiveness.

Assessments under what is becoming known as the environmental exemptions act have become a joke, a joke at the expense of the people of Ontario. I suspect that the Environmental Assessment Act is probably the best-known, virtually unused piece of legislation in the western world. I have to say that it started out as a very highly touted piece of legislation and, indeed, I think it still has marvellous possibilities if it is used.

I have to say at this point as well that I have been concerned about the rumours I have been hearing which have pointed to the possibility that a study is being undertaken to determine whether it will be feasible to—for lack of a better word—gut the legislation and render it as useful as it is in its current form. I think this would be a sad thing to have happen, if indeed this is taking place, and I would like to warn the minister against action along those lines.

Hon. Mr. Norton: Maybe I could lay your concerns to rest right at the outset. There is no such review under way to attempt to gut the legislation. On an ongoing basis, we continue to look for ways to attempt to make it more effective in its operation. Certainly it has never been the intention of either the government or the civil service to gut the legislation in any way.

Mr. Riddell: The first step might be to use what we have.

Hon. Mr. Norton: As a matter of fact, it is being used very effectively.

Mr. Elston: To continue: Instead of the polluter paying, the public has had to pay time and again. Ontarians in Harwich township, as one member for Kent-Elgin (Mr. McGuigan) says, have paid dearly for their participation in the process of proving that legally the Ridge and fill site should never have been allowed to accept liquid industrial waste.

People in Ontario have paid, through grants to paper companies, to clean up waterways which the paper companies have polluted in various parts of the province. Residents of Ontario have paid in Stouffville, South Cayuga, Ajax, Thorold and Middleport, because they were concerned about protecting our environment.

To this day, Ontarians still have to pay to present their point of view at various hearings in the environmental assessment process. In 1982, it is still not the polluter but the public who pays.

In the past decade the Ministry of the Environment has been given a very low priority in the government of the Premier (Mr. Davis).

Time after time he has appointed ministers without giving them the resources necessary to conduct an effective ministry that is genuinely concerned with protecting the environment. It has tried to cope as best it could with a ministry that has become notorious as a weak link in a weak government of Ontario.

Twenty years from now people probably will have forgotten about doctors' walkouts, Suncor, Re-Mor, the ad valorem tax and the Premier's jet. However, they will be unable to forget that we failed to protect the sacred trust of the beautiful, magnificent and healthful natural environment which is Ontario's heritage. They will be unable to forget, because they will be surrounded by the evidence of our failure. They will know to their sorrow that the people who lived at this time failed to protect the environment, which was not ours to consume, waste and despoil but which was ours only as a trust to conserve and protect for future generations.

They will see that we failed in our environmental obligations and responsibilities. Without adequate environmental protection, there will be in Ontario a classic case of the sins of the parents being visited upon the children of succeeding generations.

Mr. Riddell: Good sentence.

Hon. Mr. Norton: I know your sentences. It seems to me I have heard a number of these before, but that is all right. This may be your first round of these estimates; so you might not recognize them all.

Mr. Elston: I have reviewed at length and adopted those ringing pieces of writings—

Hon. Mr. Norton: Rhetoric.

Mr. Elston:—which serve well the people of Ontario. If the minister wishes to disagree with the thoughts that are suggested by those words, he is welcome to do so.

Hon. Mr. Norton: No. I would adopt that last sentence.

Mr. Elston: You liked that, did you? Can you agree with that?

Hon. Mr. Norton: It has a classic ring to it. In fact, you are probably going to use the same words.

Mr. Elston: I am discouraged and disappointed by the necessity to recite to this committee a litany of failure, hesitation, weakness and poor, inadequate responses directly resulting from the lack of a genuine policy direction.

Let me first bring to your attention the question of acid rain. Without doubt, acid rain is

the most serious environmental threat to the people of the North American continent. Considerable scientific evidence proves that wet and dry acidic deposition is causing widespread damage to our environment which is probably irreversible.

I have to note at this point that I mentioned during the course of the minister's introductory remarks—in one of those interjections, infrequent as they were from me—that I had noticed there was some change, particularly south of the border, when it comes to acknowledging the existence of the threat of acid rain. It was along those lines that I took the opportunity of asking you about your meeting in New York, to see whether their philosophy was changing as a result of the lack of funding there.

I perceive that there is a danger to our cause here, with respect to controlling the terrible effects of acid rain, being posed by very serious lobby groups in the United States. I am concerned that we may lose sight of a very definite goal, the elimination of acid rain, if we allow ourselves to be persuaded by some of these very heavily financed lobby groups.

8:50 p.m.

In any event, US contributions to acid rain in Ontario are substantial. However, while Canadians are certainly justified in calling upon the Americans to clean up their act, we must also practise what we preach. Negotiations with our American friends are currently in progress in an attempt to reach an agreement on the reduction of acid-rain-causing emissions. It is vitally important to ensure that nothing is done to jeopardize these sensitive discussions between Canadian and US representatives.

Against the background of these negotiations, we must look at the Ontario government's position with respect to Ontario Hydro and General Public Utilities of New Jersey. Here I note that we went on at some length with some very cogent material before, and I will not get into a lot of that, but I want to highlight it in these remarks.

GPU is the owner of the notorious and ill-fated Three Mile Island nuclear station. Without unit 2 of the Three Mile Island plant, GPU is in dire need of electricity to serve its customers in Pennsylvania, New Jersey and Maryland.

GPU could have arranged an electricity purchase from other US utilities, and some of these arrangements would have been less costly. We went through a whole list of figures that indicated the relative position of the Ontario Hydro

purchase with respect to other sources in the states.

However, GPU chose to negotiate a contract with Ontario Hydro, which has a grossly enormous excess electrical capacity, some 50 per cent above the peak requirements of Ontario consumers and 25 per cent over the 25 per cent reserve margin that utilities often require with their system.

Concerned about security of supply, GPU negotiated an export arrangement with Ontario Hydro which is cause for considerable concern.

The export arrangement calls for construction of a 1,200-megawatt submarine cable under Lake Erie that will extend from Hydro's Nanticoke coal-fired generating station to a GPU substation near Erie, Pennsylvania, some 100 kilometres away. During the 10-year term of the agreement, commencing in 1985, some 8,760 gigawatt-hours per year of electricity could be sold to GPU. The construction costs for the cable are to be shared, with Ontario Hydro's estimated cost in 1981 dollars being \$320 million and GPU's cost between \$380 million and \$480 million.

There is serious and widespread concern about the environmental implications of the Hydro-GPU deal. These concerns have been expressed by the Ontario Liberal Party, the federal Department of the Environment, the Canadian Coalition on Acid Rain and Energy Probe.

The direct acid rain impact, of course, is of prime importance. However, there is also the possibility of irretrievable damage to the sensitive acid rain negotiations between Canada and the United States.

Ontario Hydro is at present under a government control order to reduce acid-rain-causing emissions. The umbrella regulation placed on Hydro is, in our opinion, inadequate. Only Ontario Hydro and the Ontario Ministry of the Environment contributed to development of the control order on this crown corporation. Neither the people nor the legislators of Ontario were allowed to scrutinize any of the conditions of this regulation.

Under the regulation, dated February 13, 1981, Hydro was called upon to reduce emissions by 42.5 per cent by 1990 based on average sulphur dioxide emissions for 1979 and 1980 and forecast emissions for 1981.

In spite of the control order, the 1982 forecast of 509,000 tons per year of SO₂ emissions was a full 24 per cent greater than the actual 1982 figure. Furthermore, during 1982 the emissions

ay well increase to 590,000 tons per year, presenting a 44 per cent increase from the 1980 level.

Using 1980 as a base year for comparison, Hydro will be reducing emissions by only 4.9 per cent through to 1985 and by only 36.6 per cent by 1990—considerably less than the 50 per cent constantly referred to by the Minister of the Environment and the chairman of Hydro.

At this point I note the minister had some figures trying to reconcile the 43 per cent figure with the 50 per cent figure, which has received more public exposure than the 43 per cent figure.

We cannot lose sight of the fact that the control order on Hydro was written in 1980 when SO₂ emissions were 410,000 tons. Yet we have a Minister of the Environment, who has declared an outright war on acid rain, allowing Ontario Hydro to increase emissions from 1980 levels by some 44 per cent to 1982.

Hon. Mr. Norton: May I make a point of clarification so that the misconception does not get too deeply seated? Perhaps we can deal with it more fully later, but I am a little mystified at how you have arrived at your figures. I can only assume that you are working strictly on percentages. In fact, the regulation—and far from being any sort of a secret, it is a public document—deals not—

Mr. Elston: I did not say it was secret.

Hon. Mr. Norton: All right. But you made reference to its "clandestine development" or something like that.

Mr. Elston: We are just saying the input was limited.

Hon. Mr. Norton: The point you must remember is that the regulation does not deal in percentages but in absolute tonnage objectives. Your percentages, in my limited knowledge of mathematics, are quite erroneous.

In fact, the percentages would be larger than those projected originally because of the fact that there has been an increase. This increase was predicted by my predecessor. Because of the difficulty of making precise predictions, the percentages have been somewhat larger than that was originally outlined by him at the time he announced the imposition of the regulation.

I think your figure of 36.6 per cent, for example, must have been arrived at by working only in percentages and by saying it was a percentage reduction from the 1980 base. In fact, it was not that. The regulation reduces to an absolute tonnage target figure, which would

result in a much more substantial percentage reduction than 36.6 or even 43 per cent.

Mr. Elston: That may be a partly fair comment, but I have to indicate to the committee that up to this point the history of all the orders that have been written up, not only for Hydro but particularly for other corporations as well, is such that when the target date has been arrived at, there has always been a rewriting of the regulation, apparently to correspond with the level which the corporation is able to attain.

I suspect that in 1985 we will see exactly how closely we have arrived to the 1985 order level; and in 1990, I suspect there will be again a review of the order to see whether we can force this public corporation to get down to the area we are looking at.

Hon. Mr. Norton: I do not share your doubts, but I think what you have stated in your opening statement is misleading, although perhaps not deliberately so—to stick to parliamentary expression—in that there is nothing in that paragraph that suggests your figures are based upon scepticism about whether the regulation will be met or enforced.

Mr. Elston: No. That was my comment to your questions.

Hon. Mr. Norton: I was responding to the specific content of that paragraph, which I think is grossly erroneous. If you are only working from percentages, I can understand how you got that. However, the regulation does not deal in percentages.

Mr. Riddell: Would it be fair to say that the corporations are dictating the regulations?

Hon. Mr. Norton: No, it would not.

Mr. Elston: I guess we could comment on the history of those regulations, the draft orders that have been redrafted for other corporations which would seem to correspond very closely to those suggested by those put forward to the ministry—not to this minister, by the way, but to previous ministers. They just happened to coincide exactly with the level that was—

Hon. Mr. Norton: It is one thing to suggest that orders and regulations may be tempered by our presence in the real world, but to suggest that they are drafted by the corporations is entirely erroneous. There is such a thing as practical reality, which we have to deal with on a day-to-day basis, and that may result in an assessment that something which has originally been established is not achievable.

Mr. Elston: It is very difficult to assess or to separate the times when they are being written by the corporations and the times when the objectives are being tempered by the realities, which all of a sudden are recognized on the last date possible by the minister.

9 p.m.

Hon. Mr. Norton: Rather than take up more of your time at the moment, I hope you will raise that specific concern a little later, when we can perhaps discuss it in more detail. I hope I can relieve your anxiety about corporations writing their own orders and perhaps put it in the context of where in some instances the greatest expertise lies and the kind of information that has to be taken into consideration.

Mr. Elston: I guess the backdrop to all the comments that have been made is a lot of the public statements being made by the chairman of Hydro, and by the minister as well on occasion, that there will be a 50 per cent decrease in the emissions. I guess that may have caused us to rely a great deal on the percentage calculation.

I think that at some point we very well might be set up to find that the order, which says that by 1990 Hydro will be down to 300,000 tons, will not be attainable, and the minister at that time will stand up and say: "This does not deviate from the position of my predecessor, Mr. Norton, who said in estimates back in 1982 that we would be cutting back by 43 per cent or whatever. We are taking what our emissions were in such and such a year, and we are going to go down to 43 per cent of those."

We have seen that very case arise here with respect to your comments when we were dealing with the motion for public hearings on the GPU sale. You indicated that your stance and that of Mr. Parrott were compatible and did not reflect an undertaking to have a public hearing under the Environmental Assessment Act.

It is very possible, and I want to make it very clear, that you are indicating we are going to be at 300,000 tons by 1990, or whatever that magic number is; I think that is the one for 1990.

Hon. Mr. Norton: I am sorry, but to clarify the comments I made with respect to Dr. Parrott's response in the House and my response in the House last spring or summer, whenever it was—

Mr. Elston: June 26, 1981.

Hon. Mr. Norton: Goodness, I didn't realize my words were so memorable.

Mr. Elston: They are ringing.

Hon. Mr. Norton: I think it is fair to say that what I said was intended at that time to be precisely the same as my predecessor had said to uphold the position he took. But what I have attempted to explain to you is that at that time neither he nor I was aware of the legal difficulties with respect to the Environmental Assessment Act in this specific situation.

Mr. Elston: You have changed your position then.

Hon. Mr. Norton: No, I have not.

Mr. Elston: You haven't changed your position? Either you have or you have not.

Hon. Mr. Norton: If facts had remained the same, my position would have remained the same—

Mr. Elston: The facts have changed; so you have changed.

Hon. Mr. Norton: —but in fact the knowledge of the law has been altered.

Mr. Elston: You must recognize that comments have been made about the—

Hon. Mr. Norton: The application of the Environmental Assessment Act.

Mr. Elston: Well, the question was directed to those legal opinions and whether that should reflect on whether or not the Environmental Assessment Act can be used by your ministry. As you know, we indicated that the content of the question was along the lines of whether a Environmental Assessment Act hearing ought to be held before National Energy Board approval, and I think the answer was quite clearly not that very question.

But if you went into the specific question laid out in our motion, you probably could have come up with a different answer, and you might have been moved to re-establish the scepticism you expressed about the two earlier opinions.

Hon. Mr. Norton: I think the timing of the hearings is irrelevant to the operation of the law regardless of which hearing—

Mr. Elston: That was not the direction of the question that was asked, as I understand the question that was posed for those legal opinions.

Mr. Chairman: With respect, I am not sure you two are going to resolve this tonight or indeed, even before the estimates are over.

Hon. Mr. Norton: We will try.

Mr. Elston: Mr. Chairman, I think you are right. I will take this opportunity to advise the minister that Mr. Ruston had dropped in earlier to indicate that I was to cut my remarks off a

120 p.m. so the minister could get up to the house to perform on the late show in one runner or another. In any event, I will carry on: In this province, only Inco produces more acid rain causing emissions than Ontario Hydro, which is a crown corporation and should therefore be subject to stringent controls. If the General Public Utilities deal goes through without any conditions attached to it, Americans will understandably consider us to be hypocrites on the question of acid rain.

If GPU takes the total allowable 8,760 gigawatt hours per year of electricity, equal to 1,000 megawatts, the SO₂ emissions from production of that electricity will be approximately 77,350 metric tons per year. Even if Hydro conforms to the control order imposed on it last year, a full 28 per cent of their 1990 permissible SO₂ emissions will be due to exports to GPU. In other words, Hydro could reduce emissions by a further 29.8 per cent as of 1990 simply by not proceeding with the GPU deal. Yet, the corporation is acting as if the object of the control order is to sustain acid gas emissions at a maximum level, rather than to reduce emissions as much as possible.

Over the past few months, Hydro officials have been implying that if the GPU deal is thwarted, they will still be emitting the maximum emissions allowed under the control order simply burning dirtier, cheaper coal at their coal-fired generating stations. Obviously, if they could emit less acid rain causing emissions they could do so. Environmental blackmail comments made in the past will not help the current negotiations with the Reagan administration in the United States.

Liberal research staff have calculated that acid gas emissions as a result of the GPU deal alone will render 560 lakes biologically sterile, "dead," over the 10 year term of the contract. We know that the minister does not like our calculations and as recently as April 15 of this year he stated: "... there is really no basis upon which one can make those kinds of simplistic and potentially very misleading calculations." However, some Environment Canada officials believe that our estimate is in the right ballpark and may even be somewhat low.

The chairman of Hydro and others, including the Premier, have stated that if GPU doesn't get the electricity from Ontario Hydro, they will just get it from dirtier coal-fired electrical generating stations in the Ohio Valley which, they reason, will have a greater impact on Ontario from an acid rain viewpoint. First, I

must point out that the assumption by the chairman of Hydro and the Premier is wrong. Ontario Hydro submitted the following evidence before the National Energy Board:

"Present projections of availability of coal-fired base load capacity in the US systems to the west of GPU (i.e. Ohio valley plants) indicate there may be little or no excess capacity and associated energy for those systems after about 1990."

Furthermore, even if there was some validity in the argument put forward by the chairman of Hydro and the Premier, atmospheric models of long range movement of air pollutants indicate that sulphur deposition in Muskoka from Ontario Hydro plants generating 1,000 megawatts of coal-fired power will be six times greater than those resulting from a Pennsylvania coal-fired station generating a similar amount of electricity.

I am reading a little fast because everybody has the statement or has it available, and they will be able to keep up.

Apart from the potentially harmful environmental impact of the GPU deal, its economic benefits to Ontario are questionable.

The \$500 million figure given as the cost of reducing acid rain emissions by Ontario Hydro is in inflated dollars of the years between today and 1990. In terms of 1981 dollars, the amount would be \$226 million. This means that Hydro is planning to spend more money to build the GPU cable, \$320 million in terms of 1981 dollars, than on reducing acid rain causing emissions.

Hydro chairman Hugh Macaulay apparently expects a profit of about \$1 billion from the GPU cable deal. However, at the National Energy Board hearing in January, Mr. G. F. McIntyre, Hydro's chief negotiator for the GPU deal, forecast under oath a net profit of only \$466 million in 1984 dollars. In Hydro's benefit cost analysis, very little account was taken of the environmental and health costs arising from the deal, such as the increased incidence of lung cancer, bronchitis and heart disease, more biologically sterile lakes, damage to crops, buildings and historical monuments, and a decline in forest productivity. All of these factors must be taken into account before the net economic benefits of the deal for Ontario can be estimated.

9:10 p.m.

Another bone of contention is the fact that the GPU deal is not being assessed under Ontario's Environmental Assessment Act. We

have been through that before. We have dwelt at length on the independent legal opinions on the matter of National Energy Board supremacy. Regardless of the primacy argument, the Minister of the Environment is abdicating his responsibility for protection of the environment by not conducting a separate public assessment of the environmental implications of this deal.

Even if such a public review were not legally binding surely the minister realizes the input from such a process would be very beneficial and would give the Minister of the Environment a degree of credibility which is now severely lacking.

On April 27, 1982, the National Energy Board released its recommendation on the GPU export application. The NEB completely accepted the application by Ontario Hydro to export electricity to GPU without attaching conditions that would have reduced acid gas emissions.

The NEB's recommendation clearly shows its lack of interest in environmental matters and supports the contention of my former leader on November 13, 1981, when he stated: "Allowing the NEB to review environmental matters is like putting the fox in charge of the chicken coop."

It also appears that the NEB's recommendation falls in line with the viewpoint of the Ontario government. At the NEB hearings in January there was no participation by any Ontario Ministry of the Environment officials. The province was represented by the Ministry of Energy, whose counsel, Ms. Marie Rounding, stated for the NEB on January 27, 1982:

"...the province submits that it is neither necessary nor appropriate for the National Energy Board to attach a condition to the export licence with respect to air emissions, as has been requested by the Deputy Minister of Environment Canada."

On March 15, 1982, the minister stated that if the export deal proceeds it will be a clean export. If this export is to be a clean export, the minister should have stated long ago, without any knowledge of approval or disapproval of the deal by the NEB, the conditions that Ontario plans to impose on Hydro to ensure that his commitment becomes a reality. I again point out this portrait as displayed in the Ottawa Citizen which says, "You have my word."

Hon. Mr. Norton: You have.

Mr. Elston: That is attributed to the Minister of the Environment.

Hon. Mr. Norton: That's right.

Mr. Elston: By playing his cards so close to the chest, the minister may have irreparably jeopardized the sensitive Canada-US acid rain negotiations. If the minister does not have the clout in cabinet to combat Mr. Welch, who represents Ontario Hydro, the minister should have resigned to demonstrate that he is indeed committed to the fight against acid rain.

Hon. Mr. Norton: I want to clarify one thing. Mr. Welch does not represent Ontario Hydro. Ontario Hydro reports to the government through the Ministry of Energy and—

Mr. Elston: And he is the Minister of Energy. That is right—

Hon. Mr. Norton: He does not represent Ontario Hydro. He represents the people of Ontario.

Mr. Elston:—and it was his official. That is probably right. Although his ministry was established as an attempt to get away from the point that Ontario Hydro had to report directly to the Premier who became overburdened, as I understand it, with the high volume of correspondence that came to his attention as a result of several Hydro moves in the early 1970s. The Ministry of Energy—

Hon. Mr. Norton: I think a sophisticated assessment of the establishment of that ministry might indicate there was more to it than that.

Mr. Charlton: Not much.

Mr. Elston: I think it was to take the heat off the Premier.

Mr. Wildman: The ministry was created as an adjunct of Hydro.

Mr. Elston: In any event, the Minister of Energy was able to have one of his counsel take part in making representations before the National Energy Board. Unfortunately, the Minister of the Environment was unable to have his officials take part in those hearings. I think that reflects a major difficulty. Maybe he made a decision not to participate in those hearings; I do not know. I suppose that is something he will have to live with, as he has indicated other groups will also have to live with their decisions.

Hon. Mr. Norton: It is not a question of ability or inability. It is a question of what is the appropriate lead ministry in making—

Mr. Elston: In terms of the environment, the lead ministry appropriately should be the Ministry of the Environment. I think there were very high profile concerns generated by this matter. To leave the Ministry of Energy in charge of the official government position leads one to believe

that either the Minister of the Environment has been compromised in terms of his objectives with respect to this or else he has made a decision not to participate so as not to offend regulatory authorities. I do not know. I am raising that as a question. I am not commenting on any motives or whatever.

Hon. Mr. Norton: The whole thing will become clearer.

Mr. Elston: If you would like to make it clear—

Hon. Mr. Norton: You may be a little fuzzy at the moment.

Mr. Elston: It might be that you would like to focus our attention on the clarity which you are able to lend to this issue right now.

Mr. Chairman: Is it in the film?

Hon. Mr. Norton: I am not sure. I think it might be in the last segment.

Mr. Elston: We will all rush up to the library to see it there.

Throughout this whole GPU matter, it has been very apparent that this government's commitment to reducing acid gas emissions has neither substance nor meaning. Profits to Ontario Hydro and a new interconnection to sell excess electricity from the system of a mismanaged power corporation are clearly far more important to this government than the Ontario lakes whose beauty and serenity were captured in the classic Canadian paintings by the Group of Seven.

There are, of course, other aspects of the acid rain problem in Ontario. On October 6, 1981, in a speech to the Armourdale Progressive Conservative riding association—of which I guess there must be one or two members—the Minister of the Environment said that the province will move to control "about eight" more sources of acid rain pollution. He did not give the names of any of the companies to be controlled or the deadlines on which the control orders could be expected to be issued.

I expect the minister in his comments on these opening remarks will probably identify these companies for us and give the time frame within which those orders are to be made.

We can assume, however, that these companies will include Algoma Steel's ore division in Sarnia, the Imperial Oil Ltd. refinery in Sarnia, Sico Inc. of Hamilton, the Algoma Steel Corp. plant in Sault Ste. Marie, Shell Canada's refinery in Sarnia, the Abitibi-Price sulphite plant in Iquois Falls, the BP Canada refinery in Mississauga and the Shell Canada oil refinery in

Toronto. It has been more than seven months since the minister stated that the province would move to control these eight sources, or whichever eight sources he was identifying. We are still waiting to see what action, if any, the ministry will be taking in the immediate future.

The end of 1982 also marks the expiration date of the control order on reduction of sulphur dioxide emissions which Inco in essence wrote for itself in the summer of 1980. The minister must know that everyone is watching him closely to see what further abatement conditions will be imposed on Inco, a company which has raped and pillaged our Ontario environment.

Hon. Mr. Norton: May I just—

Mr. Elston: Interject.

Hon. Mr. Norton: That last remark—you are really very far off base there. I think you missed the whole significance of the fact it was not a control order that you are describing, but rather a regulation. There was a very specific reason for that. It was because the company was not in agreement with it that it was made a regulation as opposed to a control order. The reason was that a regulation is nonappealable. I think that really flies in the face of your whole argument in that paragraph.

Mr. Riddell: Are you saying Inco did write the regulation?

Hon. Mr. Norton: No, I am saying they absolutely did not. In fact, they were in disagreement with it and were planning to appeal it. My predecessor at the time made it a regulation through Order in Council in cabinet which is nonappealable for that very reason.

Mr. Wildman: You wanted tougher controls?

Hon. Mr. Norton: I am sure you know the answer to that question.

Mr. Elston: Would you want a tighter control order than the regulation sets out now? Are you moving towards that now?

Hon. Mr. Norton: At this step in this phase I think they are going to achieve the present targets under the regulation. I think Inco knows and everybody should recognize there will be tougher ones.

Mr. Elston: So you are going to reduce the level again in January 1983?

Hon. Mr. Norton: The particular objectives and so on will depend to some extent upon the input of the federal-provincial task force which has been established precisely to determine the most appropriate and effective technology to

further reduce the emissions from smelters. I think it is now reporting in early October.

Mr. Elston: I think you are skating around the edge of the question.

Hon. Mr. Norton: No, I am not. I am trying to give you as much information about it as possible. I cannot nor can anyone else just arbitrarily pull out of a hat a target which is automatically achievable. I have said and I believe my predecessor made it clear that our objective is to reduce them to the very lowest possible level that is achievable.

9:20 p.m.

Mr. Elston: Do you agree that the same sort of requirement, the lowest possible achievable level, should be pinned on Ontario Hydro as well?

Hon. Mr. Norton: I have never suggested that the present regulation which binds Ontario Hydro is the optimum or the final level.

Mr. Elston: You may be changing that order then. Is that what you are indicating?

Hon. Mr. Norton: That is an option that I am always examining with any polluter.

Mr. Wildman: Inco's emissions will be down substantially over the next couple of months.

Hon. Mr. Norton: That is true but on a short-term basis, I trust. We do not like to see them go back up but on the other hand I hope that it is not a protracted work stoppage.

Mr. Elston: Is Ontario Hydro's current goal set by control order or by regulation?

Hon. Mr. Norton: By regulation.

Mr. Elston: It is by regulation as well?

Hon. Mr. Norton: Both Ontario Hydro and Inco are controlled by regulation as opposed to control order at the present time.

Mr. Elston: Regulation where they have got some input though, I would think, with respect to Ontario Hydro.

Hon. Mr. Norton: I think with respect to Ontario Hydro it is fair to say they agreed the present regulation was one that was achievable. I was not in the ministry at the time so I do not know what they might have objected to privately, but they certainly have never publicly taken any position in opposition to the regulation.

Mr. Elston: The Ontario-Canada task force on Sudbury pollution abatement options, with specific reference to Inco and Falconbridge, was to have submitted its final corrected report on September 30, 1981. We have still not seen that report although it is now almost eight

months overdue. I presume you may have been indicating that is the one coming up in October.

Hon. Mr. Norton: Yes.

Mr. Elston: However, we have seen five other reports, all of which discussed the technical and economic viability of Inco reducing its emissions of SO_2 to between 850 and 1,000 tons per day, or 771 to 907 metric tons per day. For example, the "Still Waters" report by the federal subcommittee on acid rain states: "We are satisfied that the technology is available today to dramatically reduce SO_2 emissions from the nonferrous smelting industry."

The report then refers to sulphur containment of 85 to 90 per cent of the Texasgulf zinc smelter in Timmins, the Canadian Electrolytic Zinc smelter in Valleyfield, Quebec and the Brunswick Mining and Smelting lead smelter in Belledune, New Brunswick. Based on the findings of these five reports and the technology which is in operation today, there is no conceivable justification to permit Inco daily to emit the same amount of SO_2 as was emitted by Mount St. Helen's when it erupted on May 18, 1980.

By the end of this year, the ministry must accept responsibility to control the emissions from Inco. Not to do so could be suicidal both environmentally and politically.

The lungs, lakes and legacy of this province demand better leadership in the reduction of acid rain.

There are a number of other issues of environmental concern. First is the Stouffville dump. During the 1960s and 1970s, the Whitchurch-Stouffville dump accepted large quantities of hauled liquid industrial waste, in spite of the fact it is located above a major drinking water source. This fact, as well as the fact that the owners of the dump, which is Waste Management Inc., would like to expand it, have led to great deal of controversy in the last year.

The major concern in the Stouffville issue is that of ground-water contamination. The problems with the ground-water contamination in the Stouffville area are indicators of what the future may bring. Acid rain has become a media buzz word today. The "deadly drink" or "toxic on tap" will become media buzz words in the near future, as more and more ground water supplies are affected by environmental hazards. Protective measures must be taken to ensure that the health and safety of the people of Ontario are not jeopardized.

It was both a surprise and a delight to us that on April 29, 1982, the minister announced the rejection of the proposed expansion of the

hitchurch-Stouffville dump. In his statement to the Legislature the minister noted a number of reasons for the expansion application rejection. I shall not dwell on these reasons, but I must ask if the ministry staff had these concerns, why were they not voiced at the hearings before the Environmental Assessment Board?

We are all aware that Waste Management Inc. is now going to appeal the expansion rejection. The onus is on the ministry to appear before the Environmental Appeal Board and present a strong and definitive case for the closure of the dump by June 30, 1983, and the adherence by the company of the conditions imposed upon it by the ministry.

We must also consider new evidence of dioxin contamination in fish, especially in light of the minister's statement of April 1, 1982. In that he noted that findings for 11 lake trout collected in the Port Credit area of western Lake Ontario indicated that for the first time since the ministry's dioxin testing program was established the average concentration of dioxin found in the fish exceeded the 20 parts per billion federal guideline. In fact the average was 1.4 parts per trillion with one fish, having a concentration of 57 parts per trillion—almost three times greater than the federal guideline.

While the minister has assured us this data did not indicate a trend to a higher level of dioxin in fish in Lake Ontario, it is important to note that dioxin concentrations have continued to increase, and the data we have received from the ministry over the past year.

In his April 1 statement the minister made the following comment: "The current test sport fish results support earlier tests which showed that levels of 2, 3, 7, 8-TCDD are higher in Lake Ontario fish than in fish from other Ontario water bodies tested, and they support the opinion that industrial waste disposal sources in the Niagara Falls, New York, areas are the main source of this chemical in Lake Ontario fish."

We have been telling the minister that very much for the past year. We advocated that the ministry of the Environment intervene in the Hooker Hyde Park dump hearing held last September in Buffalo. However, the ministry chose not to intervene. In the fall we chastised the minister for the fact that his ministry neither intervened in the court hearings nor provided technical, legal or financial assistance to the interveners who represented the interests of all Ontarians.

Fortunately, Pollution Probe and Operation Clean Niagara, with the invaluable assistance of

Environment Canada officials, represented Canadians at the court hearings and argued that the terms of the proposed settlement would not adequately protect the Niagara River. The lack of any intervention by the ministry and the lack of assistance to other environmentally concerned interveners at the hearings was, quite frankly, reprehensible.

The minister is well aware that in addition to Hooker's Hyde Park dumps, 2, 4, 5-trichlorophenol wastes, which are known to contain 2, 3, 7, 8-TCDD were also buried at Hooker's S area, N area, 102nd Street, and Love Canal dump sites. It is imperative that the minister's recently announced Niagara River task force fully scrutinizes future proposed remedial cleanup proposals for these sites. If the proposed settlements are as sieve-like as the Hyde Park dump settlement which was recently accepted by Judge Curtin of Buffalo, the ministry must not abdicate its responsibility to the citizens of this province as it did in the Hyde Park dump hearing. There is no justification for tacit approval of inappropriate cleanup programs.

Furthermore, we would submit that the time is ripe for the government to take legal action against our American friends who are guilty of polluting the Niagara River.

There are two legal avenues available to this government if it wishes to indicate its concern over the continued contamination of the ravaged river. First, it could sue Hooker Chemicals for present and future potential damages to both the aquatic and human environments under the common law areas of riparian rights and nuisance. Such a suit would be long and complicated but international environmental law experts have told us that is feasible.

Second, the provincial government, through the Ministry of the Environment, should encourage and assist the federal government in filing a suit against the US government for violations of the 1909 Boundary Waters Treaty. Article 4 of the treaty reads, in part:

"It is further agreed that the waters herein defined as boundary waters and waters flowing across the boundary, shall not be polluted on either side to the injury of health or property on the other."

Clearly, recent dioxin findings in fish from Lake Ontario indicate that the health of Canadians is threatened by continued inputs of dioxin, such as are present in the Hyde Park dump.

Pursuing either of these legal avenues would be seen as a positive commitment on the part of

the ministry to protecting the future viability of the Niagara River and Lake Ontario.

Pursuing either of these legal avenues would be seen as a positive commitment on the part of the ministry to protecting the future viability of the Niagara River and Lake Ontario.

Another issue which must be addressed is that of liquid industrial waste management. The problems which Stuart Smith brought to the forefront during the years he was in the Legislature are still present. Today, we have no approved process or processes for the destruction of polychlorinated biphenyls in spite of the fact that the Adelaide Street fire occurred over four years ago and that PCBs were banned for use in Canada in new transformers over three years ago and in spite of the fact that today destruction technologies are approved and operating in the United States.

There are destruction processes which are operating fully in the United Kingdom as well, using some technology which originally was taken there to be experimented with.

9:30 p.m.

Even today, there are still millions of gallons of hauled liquid industrial waste being disposed of in eight specific landfills in spite of the commitment on October 17, 1978, by the former Minister of the Environment, that the landfilling of liquid waste would cease as of January 1, 1980, or more than two years ago.

These eight landfill sites are being allowed to accept liquid waste under a regulation imposed by the minister on December 1, 1981, which was specifically written to avoid conducting statutory public hearings which would have proven whether the sites are environmentally sound or not. On December 1, 1981, the minister had the gall to state in the House, "The environmental soundness of these eight sites is not at issue." Statements such as this indicate that the minister's commitment to environmental protection is almost totally lacking.

From reading I have been doing lately, I gather there is a whole line of scientific information being developed now which is reflecting on the adequacy of whether or not the clay lining used in many of the secure landfill sites is doing the job it originally was thought it could do.

Some argued positions put forward in papers are that the reaction of chemicals on some of these clay liners renders supposedly impermeable clay liners quite permeable and may allow the leaching of some of these chemicals through that clay. It seems to me we just cannot take for

granted any longer some of the assumptions on which we based our earlier findings.

Even today we are still faced with inadequate legislation dealing with spills, in spite of the fact the spills bill received third reading on December 19, 1979. It might be interesting to find out whether or not the regulations are ready to be put in place and just how soon that is going to occur.

We still have a waybill system which does not monitor the registration, transportation and destruction or disposition of wastes from cradle to grave. The present waybill system is fraught with loopholes and inadequacies. From information provided on a waybill it is impossible to make any meaningful interpretation of the consequences of the material entering the landfill.

The practice of midnight dumping still continues in spite of vague ministry assurances that all hazardous wastes are properly handled. And we still do not have adequate facilities to detoxify, destroy and dispose of liquid industrial waste because this government chose to be politically expedient rather than environmentally rational in its ill-fated choice of South Cayuga.

The ministry has not faced up to these realities which existed in the 1970s as they do today. The ministry has abdicated its responsibilities in these matters by forcing the problem on to the Ontario Waste Management Corporation. The problems persist and the ministry has moral and environmental responsibility to provide solutions to them.

Finally, I would like to speak of environmental rights in Ontario. I wish there was a method of prosecuting the Ministry of the Environment for false advertising in connection with its slick advertisements on television during 1980. The condition of the environment gives a lie to these ads, but the government has taken advantage of the fact that the damage is difficult to assess by the naked eye.

Usually, if a government introduces legislation to apply, for example, to landlords and tenants, one can judge within a few days the reactions of those most likely to be affected. Those who feel they have been dealt with unjustly can present petitions, hold press conferences, be contacted by media or take their matter to the courts. They may not get their way but at least they can be heard. This is not the case, of course, with the environment. We cannot interview an acidified lake. Someone, on some group, must always speak on its behalf.

Theoretically this is the role we have entrusted to the Ministry of the Environment. It is a relatively young ministry whose responsibility as preserver and protector of the environment should bring it into conflict with the competing interests of other ministries as well as with actual or would-be polluters.

The Ministry of the Environment is supposed to act on behalf of the environment. When it behaves like the Ministry of Industry and Trade or the Ministry of Revenue, the possibility of democratic debate and representation is destroyed.

Herein lies the dilemma: Over the past decade, the Ontario cabinet has soft-pedalled the environmental portfolio to such an extent that the environment ministry's credibility is nonexistent. Even when issues have changed, the solutions have remained the same. Citizen groups in Ontario spend as much time and money fighting the Ministry of the Environment as they do fighting the polluters.

We have an environment ministry which is most constantly in the news for advocating policies and positions which run directly counter to environmental protection or worse, for failing to advocate any positions at all.

To say the least, "the polluter pays principle," which I referred to earlier, has become an empty phrase. In Ontario the victim pays. Moreover, should the victim attempt to take the matter before the courts, he or she will soon discover that environmental rights in this province virtually are nonexistent and the risks involved in suing the polluter in Ontario are enormous.

In the first place the plaintiff is required to prove that a polluting offence has occurred. The burden of proof is on the plaintiff: no small task given the inevitability of being denied access to the Ministry of the Environment's files which might contain information to support the case. To confuse matters further there are many pollutants for which no provincial standards exist.

These obstacles to fighting a court battle against a polluter, coupled with the recognition of the legal fees involved and the fear of having court costs awarded against the plaintiff if the case is lost, are enough to cause even the most zealous environmentalist to back off.

Furthermore, the plaintiff will not even be heard unless real or threatened financial loss can be proved. In other words, unless the plaintiff has a monetary stake in an issue, one cannot act on behalf of the environment in this

province solely on the basis that deterioration has or is about to occur. We must wait for the Ministry of the Environment to do that and if the ministry chooses not to act, we are out of luck.

In many of the issues I have discussed today, a lack of environmental rights legislation has left citizens defenceless while the provincial government has been cowardly, feigned a concern, engaged in secret negotiations with the polluter or said that the matter was one best left to another level of government to resolve.

Let me make the Liberal Party's position quite clear: I have introduced a bill entitled the Ontario Environmental Rights Bill. The bill is an updated version of the bill introduced by my former leader. It provides for access to government information on pollutant emissions and places a burden of proof on polluters. Furthermore, it would allow a citizen to sue a polluter in cases where the government refused to do so.

The bill previously introduced received widespread support from every major environmental and consumer organization in Ontario, and was enthusiastically endorsed by the environmental subsection of the Canadian Bar Association. Predictably the Conservative government voted against the bill, which was introduced by Dr. Smith in the House, and would not so much as allow it to go to this committee of the Legislature for discussion. The former environment minister said at the time that he would introduce his own legislation. As usual, the MOE has not acted on this promise.

I look forward to the debate on the bill that I have introduced and to receiving an updated reaction from the MOE.

Mr. Riddell: It will be blocked.

Mr. Elston: I would be very happy even if this Minister of the Environment were to suggest that the bill not proceed as long as he adopted some of the provisions of the bill; if he were to take that bill and redraft it to his liking, to shape it in the manner whereby he could at least come up with some environmental rights legislation for application in the province. If he came up with that bill, thereby following up on the promise of a previous minister, I would hope he would allow it to be used to the extent of allowing the public to gain access to the courts to deal with polluters.

It is now more than a year since the honourable Keith C. Norton became the Minister of the Environment. Since his appointment little has changed except, perhaps, his profile. The ministry continues to lack positive protection-oriented

environmental policy initiatives. The ministry continues to be overburdened with far too many senior level civil servants left over from the days of the Ontario Water Resources Commission. These people have an engineering mindset on environmental matters, and believe in waiting until a problem develops and then applying engineering techniques in an effort to find a solution.

The ministry has a continuing credibility problem with the public, especially on liquid industrial waste management. The ministry continues to be paranoid about the public's right of access to information which, for the most bizarre reasons, is kept secret.

The ministry continues to be heavy handed in dealing with citizens groups who often find themselves fighting against the very ministry which ostensibly is intended to protect them and the environment. The ministry continues to lack the will to enforce many of the regulations and laws which it has itself put in place.

The ministry continues to exempt the majority of projects from the Environmental Assessment Act. It continues to refuse to fund public interveners at environmental hearings, thus perpetuating the Christians-versus-the-lions situation.

In summary, the members of this committee must consider one major and overriding question: is the Ministry of the Environment adequately protecting the people of Ontario and their environment? I believe the answer to this question is a resounding no.

9:40 p.m.

As a result, Mr. Chairman, on the occasion of National Environment Week, I appeal to you and I appeal to the minister to take immediate action to protect the environment of the province. Reacting to events as and when they occur should only be necessary if unexpected emergencies develop. Your primary responsibility is to take preventive measures.

Let me point out that a decade ago the provincial government promised that the polluter would pay. This is still not the case. The minister should implement that promise. In order to protect lakes, lungs and the legacy of Ontario I urge you to take the following actions with respect to acid rain:

1. Rewrite Ontario Hydro's acid gas control order to ensure that emissions caused by the Hydro-General Public Utilities cable conform to the guidelines for new statutory sources under the federal Clean Air Act. This would

require two extra scrubbers in addition to those already planned.

2. Issue, this year, a new control order on Inco to reduce sulphur dioxide emissions to between 850 and 1,000 tons per day over the next five years.

3. Issue control orders on all other major point-source emitters of sulphur dioxide in Ontario to reduce emissions by 50 per cent over the next five years.

In order to protect the Niagara River and Lake Ontario, I appeal to the minister to participate with Environment Canada and other interveners, such as Operation Clean Niagara and Pollution Probe, in negotiations on remedial cleanup plans for Hooker Chemicals' Area, N Area, 102nd Street and Love Canal dump sites. You should also encourage and assist the federal government in filing a suit against the United States government for violations of the 1909 boundary waters treaty and sue Hooker Chemicals for present and future potential damage to the aquatic and human environment under the common law areas of riparian rights and nuisance, as I indicated earlier.

The minister must take action on the management of liquid industrial wastes. For example, (1) approve a form of polychlorinated biphenyl destruction technology for the province; (2) proclaim and strictly enforce the spill bill; (3) revise the waybill system to monitor the registration, transportation and disposition of liquid industrial waste from cradle to grave; (4) exert the full force of the Environmental Assessment Act without exemptions; (5) re-establish the environmental assessment advisory committee; (6) introduce environmental rights' legislation for the province in accordance with the Ontario environmental rights bill introduced by the Ontario Liberal Party.

I would most earnestly appeal to you, Mr. Minister, to make a determined effort to implement the measures I have brought to your attention. Please give Ontarians a reason to be proud of our environmental process in the Canada's National Environment Week.

Mr. Minister and Mr. Chairman, I have highlighted a number of problem areas in which the ministry has certainly not provided adequate protection. I look forward to further opportunities during the consideration of the rest of the estimates to question the minister and his staff on these matters and on other questions of serious and immediate concern.

Mr. Charlton: Mr. Chairman, my opening remarks this evening will be substantially short

an I had originally intended, and they will be
 end at 10:30 tonight so that first thing
 tomorrow morning we can proceed into the
 and the specific discussions. So, although
 now the temptation is great as a result of the
 we have been operating to date, I would just
 that we perhaps save the comments and
 changes for the specific discussions under the
 es, because we are going to have them all
 ere.

Hon. Mr. Norton: If we agreed to add two
 minutes at the end, would you allow us a
 to-minute break at the moment?

Mr. Charlton: A two-minute break now?

Hon. Mr. Norton: Yes.

Mr. Charlton: If you are having great difficul-
 t certainly.

The committee recessed at 9:45 p.m.

9:57 p.m.

Mr. Chairman: Order.

Gentlemen, as we are having difficulty with
 the microphones in that they do not work
 throughout the room, we do need your co-
 operation.

Mr. Charlton: I will start off my comments
 tonight by picking up on an exchange that
 occurred last week between the minister and my
 colleague the member for Sudbury East (Mr.
 Mrtel). I do not think the minister intended
 the exchange to be a part of his opening
 statement, but it probably created the setting
 for a large number of the comments I will be
 making tonight, so perhaps this is an appropri-
 ate place to start.

The minister chastised my colleague, if that is
 the right word to use—if it is not, the minister
 can correct me at some point—for continually
 referring to the past, to the history of the
 environment in this province, and suggested
 that—

Hon. Mr. Norton: It was just the distance he
 was going into the past. He kept referring, as I
 recall, to the 1971—

Mr. Charlton: Exactly.

Mr. Wildman: All former statements are
 imperative.

Mr. Charlton: I want to make a few com-
 ments about that, although, because of the time
 tonight, I will refrain from reading all of the
 passages that I took the time to dig out from the
 past. But the concern that arises—and I want to
 make this point as clearly as I can—and the
 scepticism that people like the member for
 Sudbury East feel about situations like Inco and

most other environmental issues in Ontario, is
 because the kinds of statements the minister
 was making in his opening statement are not
 new. Neither the minister nor his staff, who were
 probably involved in the preparation of his
 statement, have any market on the words they
 used.

We found a whole range of material; ministe-
 rial statements in leadoffs in estimates and
 ministerial comments in the House in response
 to questions. These statements, made over the
 course of the last decade, sounded so similar to
 the kinds of approaches and promises being set
 out for us now that we cannot help but feel
 somewhat uncomfortable with the approach to
 companies like Inco on its emissions.

9:50 p.m.

I wanted to start out by simply making that
 point. Words are no solution to the problems we
 have in the environment. There has to be far
 more, I think the minister is well aware of that.
 The reference to history is because of having
 heard the same things, or very similar things on
 so many occasions, and then seeing the changes
 made time and time again.

It is our view that there are basically three
 major areas of concern in the area of the
 environment, each of which pose a giant threat
 to Ontario. There are obviously a lot of other
 smaller, side-issue areas, but the three major
 areas, as we see them, probably for the whole
 course of the next decade, are acid rain; waste
 management and disposal; and water quality,
 the question of contamination of our waters in
 Ontario. I guess, in many ways, the water quality
 question is a result of the other two.

In the case of acid rain—and I do not want to
 get into debates about specific issues in my
 opening remarks, we can do that under the
 votes—we are not at all happy or in any way
 satisfied with the progress that has been made
 during the last 15 years. I understand the
 ministry has only existed for the last 10 years,
 but the fight against acid rain supposedly has
 been under way for at least 15 years. My
 colleague from the Liberal caucus made a
 number of comments about Inco. In the case of
 Inco, I happened to look up some remarks of
 one of your predecessors a couple of times
 removed, Mr. Kerr, in 1977 relating to major
 studies, joint federal-provincial studies that were
 going on at that time. We are back in the same
 boat again now.

The question of the ultimate, appropriate
 levels of emissions from Inco still has not been
 resolved and the appropriate technology to deal

with abatement of emissions at Inco still has not been established. Although the minister may feel that progress is being made, those of us in opposition, and I think the people of Sudbury and ultimately the people of Ontario, will not be satisfied until the solutions are in place and there is an end to the discussions, the studies and the backing away that have gone on over the course of the last decade.

We had a fairly major debate on that matter of the Hydro-GPU proposed sale last week, so I will not go into a lot of detail again, but I want to make some comments about the real politics of that issue and the way, in my view, the process has been seriously distorted, the end result being total confusion in the public mind.

I suppose it starts with the promises by your predecessor, Mr. Minister, and your repeated promise of a full environmental assessment. The minister commented just a short time ago about having only altered that statement after being apprised of legal situations of which he was not previously aware. It is the opinion of this caucus and of myself that the legal weight of an environmental assessment on the GPU sale is totally irrelevant. Whether recommendations of an environmental assessment board could overrule the National Energy Board decision is of no consequence to us or to the people of Ontario.

The Environmental Assessment Act was instigated and set out by this Legislature at very great length as the best way in which both the proponents and opponents, or questioners of a proposal, could come to a reasonable conclusion about its viability and its acceptability. Ontario Hydro is wholly owned by the people of Ontario and they, in their ownership, are supposed to be represented by the cabinet of the government of Ontario. A full environmental assessment, a full discussion, with cross-examination of all the conflicting facts that in the case of the GPU sale have been thrown out, and the recommendations coming out of a full environmental assessment hearing—because we have satisfied ourselves in Ontario that it is the best available process for dealing with matters of this magnitude—these should be the things that govern and affect the final decision, which ultimately lies with the Ontario cabinet, as to whether this sale will proceed.

As I suggested at the outset, it is totally irrelevant whether that environmental assessment hearing would have any legal implication in relation to the NEB hearing decision. From that perspective, it is still our view that a full

environmental assessment hearing should proceed.

During the debate last week, and as a result questioning in the House after the NEB decision about GPU was made known some weeks ago, the minister, rather carelessly in my opinion, made comments about the opposition party and myself being advocates for the coal lobby in the United States. He totally missed the point of what we were raising.

I hope the minister, with all his cabinet and political experience, is not so politically naive to think that, regardless of what American scientists and experts in the US may know about the GPU sale, the comment made by the governor of Ohio, one of their decision-makers the day after the NEB announcement—that scientists do not make decisions, they write papers and do studies—about our very serious battle with the US over a reduction of emissions, which we know are very seriously affecting the province and many other parts of our country, is very relevant to this debate around GPU. My comment, without being able to quote him exactly, was basically that we were hypocrites.

Hon. Mr. Norton: I do not want to get you off track, but I think that invites at least a brief comment. If you know Governor Rhodes in his historic position, I think you will find that whatever the decision might be in Canada, Governor Rhodes' position will not vary a iota.

Mr. Charlton: It is not a question of whether know Governor Rhodes or not; that, too, is irrelevant.

Hon. Mr. Norton: No, it is not irrelevant.

Mr. Charlton: Yes, it is.

Hon. Mr. Norton: If you are citing a particular individual and using his remarks as indicative of anything, the person to cite is Governor Rhodes.

Mr. Charlton: They do not have to be indicative of anything. The comments were made by others as well.

The point I am trying to make is that whether they are good politicians or scurrilous or whatever they happen to be, if we are giving decision-makers in the United States a political excuse to run away from our battle over reducing their emissions, then we have lost something by proceeding with the GPU sale, in addition to whatever impact the emissions we create here in Ontario may have.

10 p.m.

We have lost something in the overall battle if we give American politicians an excuse to throw aside our arguments. Let us not be politically naive about it, that is exactly what his comment indicated: the politicians in the US who are affected by the coal lobby are going to use our decision against us in any way they can. That is a political reality.

I also want to suggest that the debate the minister had earlier this evening with Mr. Elston, about whether the regulations which govern the production of Ontario Hydro emissions by 1990 in percentages or absolute tonnages, is totally irrelevant.

Hon. Mr. Norton: They are if your percentages are as wrong as his would have been.

Mr. Charlton: Whether they are percentages or absolute tonnages they are both irrelevant, to put it as simply as I can. And your comments about it being a clean sale are also irrelevant.

Whether or not Ontario Hydro can meet the absolute tonnages of the regulations means nothing. The simple question is whether or not as a result of the sale more emissions will be produced in this province than would have been produced if the sale was never entered into. That is the only question to be answered environmentally.

Whether we reduce to 450,000 tons or any figure lower than that, deals with the question of the moral intent of the regulation. The figures are set by calculations and, as the minister well knows, calculations of future emissions can change day by day. The fact as to whether Ontario Hydro will produce greater amounts of acid discharge between 1986 and 1990 than they would have without the sale is very clear. There is no question but that they will. Whether you can manage to get Ontario Hydro down to the figures in the regulations by 1990 is irrelevant if they could have been at a lower figure without the sale.

What makes the argument put by environmentalists in this province that the sale will do environmental damage a relevant and correct argument. If you can effectively and accurately show this party and the people of this province that, as a result of the sale, there will be no emissions that would not have occurred if the sale had not been entered into, then perhaps the views of environmentalists in this province would be somewhat different about the sale itself.

Those are the questions that have to be answered, not whether Ontario Hydro can meet

a specific number that somebody happened to work out through some calculation.

The next area for discussion is that of waste management and disposal. I want to say at the outset that although we are somewhat pleased with the philosophical view and approach of some people at the Ontario Waste Management Corp., we are not at all pleased with the progress in dealing with the question of waste management and disposal in this province.

Some months ago, when it was announced that the South Cayuga site had been scrapped, the minister argued that we had not lost any time. But I think revelations since that time have made it very clear that we are further behind than any of us realized. Instead of trying to find one single site in the province to deal with all our liquid industrial waste, the corporation is now looking at a proposal for several sites. With each new announcement we are getting farther and farther away from the solution to the problem.

One of the realities we have to face in this province, as Mr. Elston suggested in his opening remarks, is that not only are midnight haulers and illegal dumpers still active in this province but it is quite likely that there are more of them now than there were two or three years ago. Some of the dump sites which two or three years ago were accepting liquid industrial waste are no longer doing so: the Upper Ottawa Street dump site, for example. Nobody seems to be in a position to tell us where the wastes which were going to dump sites like that are now going. If there are some who know, they certainly are not prepared to speak up.

We have heard it said that there are about 50,000 or 60,000 chemicals in use out there, and I would assume they are all in use in this province, which happens to be the industrial heartland of Canada; at least it was once. It baffles me that nobody has ever taken the time to go through those chemicals; to find out who is using them all, what they are being used for, if there are alternatives which might be more acceptable and less dangerous or whether they are just being used because they are the most convenient to use.

In a large number of cases nobody knows whether they are necessary. While we know that a few of them are necessary, in thousands of cases nobody I have been able to talk to, including some of the people in your ministry, can tell me what they are used for specifically and whether or not it is necessary to be using them.

That is an area we should be having a very serious look at. Obviously the cheapest and easiest way of dealing with the question of disposal is to dispense with the use of the chemical, which makes the disposal of the end product much easier.

Then there is the matter of those 700 dump sites that you have identified in the province, and the question of containment—once you have identified what is in the dump—versus cleanup. It is fortunate that Dr. Chant from the Ontario Waste Management Corp.—I hope he will be with us for our last session as we suggested when we talked about this last week—took the time to make a presentation to our task force.

One of the things that we talked to him about was whether, in his opinion, any waste disposal site, whether lined with clay or something else, could be considered capable of permanently containing massive amounts of liquid industrial waste. You know the kinds we are talking about: the kinds that are in Hyde Park, Stouffville, the Upper Ottawa Street dump and in a lot of places that we are all concerned about.

His view is, very clearly, that there is no such thing as a landfill site which can be considered a permanent reservoir for those very dangerous toxic substances, that ultimately we have to look at cleanup. I have no illusions, we are going to have to look at the best containment technology we can find for use on a short-term basis until we can get to the best approach to cleanup, but now is as good a time as any to talk about the reality that we are going to have to clean them up. We are not going to be able to leave them there, we are not talking about that.

10:10 p.m.

The people of Stouffville and those of us who have worked on the Stouffville issue were particularly happy with the minister's announcement in the House, there is no question about that, but I want to make it very clear to the minister that he has only dealt with half of the question.

The people in Stouffville will not be any happier with the prospect of containment when the ministry has been telling them all along that there were containment processes in place. They are not going to have any more confidence in that approach than they had in the approach that was going on when the dump was in operation. We have to deal with the question of temporary containment and ultimate cleanup before those people are going to be satisfied and

before we are going to be prepared to let that kind of issue lie.

In the case of Hyde Park and the Niagara situation, it is our view that the judge's decision on the Hyde Park dump was a major defeat for Ontarians and for Canadians. It was a major defeat because it was victory for Hooker Chemicals and a victory for technology which the chairman of your own Ontario Waste Management Corp. tells us cannot possibly contain the dump on a permanent basis.

We do not know all that is in that dump, only have estimates of the quantities of substances that we know are in that dump, we do know this much: there is far more in that dump than ever would be required to destroy Lake Ontario totally.

It was a defeat because it was not a clean one. Even if it had been a judgement that maximum containment had to be put in place while a proposal for cleanup was developed, it would not have been as much of a defeat as the ruling given.

I think the minister is aware of the large number of identified dump sites over and above the famous four or five that we keep throwing around. Our major fear in the whole Hyde Park-Niagara frontier question is that we are talking about 80 dump sites in very close proximity to the Niagara River and in the neighbourhood of 800 in western New York state. Those are only the ones they think they know about. That is not even talking about dump sites on property that companies have used in the past which nobody knows anything about. There are all kinds of them as well. They have found a few.

The potential for damage from those sites is enormous. If the Hyde Park decision becomes a benchmark for the approach to those dumps we are in a very serious situation. There is a question that Hooker Chemicals and other companies involved in the ownership and the called maintenance of those dump sites are going to attempt to do exactly that: to ensure that the Hooker decision becomes the benchmark, the precedent. They have stated this publicly.

There is no way, in my opinion, that a response by yourself and your ministry since that decision has been adequate. We should be putting on maximum political and legal pressure. Again, Mr. Elston has suggested several legal avenues. We understand they are difficult. We are not even sure whether any of those legal actions are winnable but, if a legal action was

place, some kind of lawsuit against Hooker over the Hyde Park decision, it would certainly impede the making of those same decisions on other dump sites as opposed to what we all know is ultimately necessary, which is cleanup.

Maximum political and legal pressure implies not just closed-door political pressure, but political pressure that is very public. You need to win the support of the people of Ontario for your fight over the Niagara cleanup. You cannot do that quietly. You have to do that loudly.

As well, one of the things that became very clear to us as a result of our tour through the Niagara area and our discussions with a large number of American citizens was that they want as much support as they can get in their fight. They are fighting for the same cleanup we are fighting for.

All of it has to be visible and all of it has to be understandable. It is not visible or understandable now to the general public. That is the way democracy is supposed to work. People make a democracy, not meetings behind closed doors. You know full well that democratic decision-making is ultimately geared by public opinion, whether it be through quiet polling to find out what public opinion is or through the demonstration and provision of leadership to create public opinion.

Specifically with regard to the question of water quality and contamination of our ground waters and lakes, whether it be from acid rain or from the chemical aspect of our society, we have a very serious problem. The minister will admit that the problem is serious, but my sense is that he is underestimating the public's immediate concern.

The minister made some comments about statements that were made by Dr. Cummins about the Windsor water situation. In some respects, I could agree that the approach Dr. Cummins took was somewhat irresponsible, being just off the cuff in a radio interview. On the other hand, and I want to emphasize this, in my opinion that the minister's response to that was just as irresponsible. Dr. Cummins's automatic assumption that X equalled Y was improper. There is a lot more work that needs to be done.

The minister's response, that there is no problem, is just as unsatisfactory. The people in Windsor and those who get upset about things like this are not going to be satisfied until they know what the cause is, whether it is water, air, something in the cement in their city or whatever it happens to be. Just to brush aside the

doctor's inadvertent and perhaps irresponsible comments without showing some direction in finding out why those digestive and intestinal cancer rates are so much higher in Windsor than in London is not a satisfactory approach.

Hon. Mr. Norton: I do not want to distract you from the line of argument you are making, but I think it is important that you recognize—and if you were not aware of this, I hope to make you aware of it—that the bulk of the rebuttal to Dr. Cummins did not originate with me or the ministry but, rather, with some colleagues from the university community who were more expert in their interpretation of the data upon which he based his conclusions. They pointed out that the very nature of the data he was using was such that it did not justify those conclusions.

The distribution of the health data he was referring to within the Windsor area was not generalized but was specific to particular localities within the community which led them to certain other conclusions. They do not know the precise answer, but they are looking at that now to try to determine specifically what it is. It may be related to diet in particular communities or it may be related to socioeconomic conditions.

Mr. Charlton: It may be related to anything, I understand that. I am not defending Dr. Cummins or the conclusions he came to. As you suggested in your response, there is no conclusive proof. What the people want, though, is an indication of some clear leadership by this government. Whether the causes are general across Windsor or isolated in certain communities is irrelevant as well.

Hon. Mr. Norton: It is not irrelevant. You seem to think everything is irrelevant.

Mr. Charlton: No.

10:20 p.m.

Hon. Mr. Norton: Surely the point is that there are medical people and people who are trained specifically in those areas who are trying to address those problems. In fact, the other thing that I think has to be borne in mind is that the people who reviewed the data in the university community in Windsor and in London concluded that, with some very rare exceptions, the incidence was not higher in Windsor than it was in the other communities.

Mr. Charlton: That is the whole point I am making, if you will let me finish. The general perception of your statement in the House was that Cummins is wrong, that there is no problem, end of issue. None of the facts was carefully

laid out. If the conclusion is that there is no problem, that the data were incorrect and the incidence is no higher, then it should be made clear publicly. If there is a problem in Windsor that relates to water or something else, the people want a clear indication that whether some university is doing the work or not, your ministry in conjunction with the Ministry of Health is committed to getting to the bottom of it. They do not want to be left with the impression that Dr. Cummins is wrong, end of issue; and that is the impression that was left.

Hon. Mr. Norton: In fairness, though, I think you have to recognize that what I was primarily responding to was the allegations with respect to drinking water.

Mr. Charlton: Okay; understood.

Hon. Mr. Norton: And I believe he clearly was wrong, too.

Mr. Charlton: All right; but once the question of high incidence as compared to another community had been raised publicly, just to knock down one possible cause of it does not resolve for the people of Windsor the question of why, whether it is really higher or all the other questions that emanate from it.

All I am suggesting is that your answer was unsatisfactory from a public perspective. It may have been perfectly satisfactory from a purely scientific point of view in dealing with the inadequate data and the position Cummins took; it certainly was not adequate to deal with the public perception that digestive and intestinal cancer rates were very much higher in Windsor than in London. That perception has not been removed out there, and that is the problem. Whether the incidence is higher or not has to be cleared up; and if it is, some clear indication to the public is needed that somebody is providing the leadership to see that the causes and solutions will be found.

Hon. Mr. Norton: I may be incorrect in my perception, but I thought the local media, particularly some of the local newspapers in that area, dealt rather effectively with the statements that emanated from other people in the university community almost immediately after Dr. Cummins made his statement. I do not know to what extent that was absorbed by the community or affected their perceptions.

Mr. Charlton: All I am commenting on now is the very clear indication from the member for Windsor-Riverside (Mr. Cooke) that he is still getting calls and questions about it and that perhaps we need to pursue this issue again. This

is a clear indication to us that although the Cummins thesis has been put down, if you like the question has not been answered for the public. That is the point I am making.

The public wants to see some clear leadership from this ministry and from the Ministry of Health to determine the facts and the real problems that exist there, and that is not happening in the ministry's public relations. I think I discussed this rather at length last year, and that is one of the major problems that exist out there.

Mr. Elston: Part of another, larger problem that we do get a problem existing where there seems to be a break in terms of the Minister of the Environment's mandate to do a certain amount of work when the Ministry of Health comes in to do a certain other part of the work. Those areas sometimes cause a great deal of trouble.

Mr. Charlton: Let me give another example of the same thing, since it is on my list anyway. All of us are very clear on the issue of nuclear waste disposal, which we have raised with the minister a number of times in the House around the question of Bancroft, the Malvern survey, Camp Borden and, more recently, the whole issue of the Massey testing.

The minister's response has been that, unfortunately, although it is clearly an environmental issue, it is not the responsibility of his ministry and that it is the responsibility of the Atomic Energy Control Board, Atomic Energy of Canada Ltd. and the federal authorities.

We understand that. We fully understand that in terms of the final decisions that will have to be made. But we in this province, through the environmental legislation that is set out, have very clearly set a pattern for public involvement in the environmental decision-making process.

We understand that your ministry cannot approve or disapprove of the final decisions that the AECEB will make or the AECL will propose, but clearly it should be your responsibility on behalf of the people of Ontario to ensure the public is consulted and informed.

The major complaint, although there are number of other aspects to the whole Massey question, is the way in which the AECEB approached that whole project, the way that very quietly moved into the area and gave the public information at all until there was some very serious public pressure.

The public perceives the refusal of your ministry to get involved as a cop-out. They see it as a cop-out not because they do not believe you

When you say that you do not have jurisdiction over nuclear waste disposal, but because they just believe you should be an advocate on their behalf so they can find out whether whatever is being tested for and whatever may be proposed is an appropriate and safe proposal in terms of their future and their water supply. It happens to be one of the questions they are very concerned about.

I will wrap up my comments in that area. During the debate on my bill, the Ontario Safe Drinking Water Act, although unfortunately the minister did not participate in that debate, his parliamentary assistant and one other member of his party's caucus did. The contention of both of your colleagues during the course of that debate was that the bill was unnecessary because the protections the bill was suggesting already existed under the Environmental Protection Act and the Environmental Assessment Act.

Hon. Mr. Norton: And the Ontario Water Resources Act.

Mr. Charlton: And the Ontario Water Resources Act. That is correct.

I want to tell the minister that is not the impression of a number of legal experts in the community and a large number of community groups that have fought battles over the Niagara River and Stouffville and elsewhere. Their feeling is that there is no clear legal route to a solution except in very special circumstances where there is a new proposal under way.

The member for Huron-Bruce raised the issue that for them, if the ministry does not agree with the position a public group is taking, they have no effective vehicle for dealing with the problems in terms of their fears and perceptions about what is happening to their water supply.

I suggest to the minister that the member's comments about environmental rights and the ability of the public to perceive that they have a very clear route to a solution and to understand that route are very important in terms of environmental law in this province. It is the one

major area where our legislation is very deficient.

On a number of occasions you have heard members of both opposition parties applaud and praise the Environmental Protection Act and the Environmental Assessment Act and set them out as model pieces of legislation. We have all done that. Those remarks by opposition members were not made in jest. We firmly believe that.

We have criticized you and the government and your predecessor and others in the past for exemptions that have been given under that legislation, and we will continue to do that. But the legal experience in the real world shows there are some major deficiencies in terms of the public's ability to find a clear route to a solution in many cases. We have to look seriously at that problem and put into place some additions to those pieces of legislation to provide clear legal remedies that are not now there.

I understand the comments your colleagues made in that debate, but I want to end by saying that during the course of our discussions tomorrow, Thursday and, I hope, next Tuesday as well, both of us will be making some very serious comments about the exemption process under the Environmental Assessment Act as well. The process, in our opinion, has been very seriously and very irreverently abused, and we would like to talk about some specific examples in that area. I will end my comments with that so that we can get on tomorrow with the specific discussions. The process, in our opinion, has been very seriously and very irreverently abused, and we would like to talk about some specific examples in that area. I will end my comments with that so that we can get on tomorrow with the specific discussions.

Mr. Chairman: It being well past 10:32, which I think accommodates the minister's personal inspection of the sanitation facilities, we will adjourn until 10 o'clock tomorrow morning.

The committee adjourned at 10:33 p.m.

CONTENTS

Tuesday, June 1, 1982

Ministry administration program.	R-1
Main office.	R-1
Adjournment.	R-1

SPEAKERS IN THIS ISSUE

- Charlton, B. A. (Hamilton Mountain NDP)
- Elston, M. J. (Huron-Bruce L)
- Harris, M. D. Chairman (Nipissing PC)
- Norton, Hon. K. C., Minister of the Environment (Kingston and the Islands PC)
- Wildman, B. (Algoma NDP)



Ontario, *LEGISLATIVE ASSEMBLY*

No. R-8

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Resources Development
Estimates, Ministry of the Environment



Second Session, Thirty-Second Parliament
Wednesday, June 2, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back of the issue together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 10th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.



LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, June 2, 1982

The committee met at 10:18 a.m. in room 228.

ESTIMATES, MINISTRY OF THE ENVIRONMENT

(continued)

Mr. Chairman: I will call the meeting to order. I believe, Mr. Minister, we were awaiting your response to the critics.

Ion. Mr. Norton: I was counting on a few seconds to prepare. We will do our best.

Mr. Chairman, as much as I appreciate the process of the review of the estimates and the opportunity we have to hear all the good advice from the opposition critics, I do also recognize that it is an opportunity not only for them to register legitimate claims, but also at times to engage in a bit of free-wheeling rhetoric that may stray from the facts.

I do not intend to respond in detail to all of the allegations that were made last night. We will have an opportunity to deal with some of them in more detail during the consideration on a vote-by-vote basis. I would, however, like to respond to some of the matters and attempt to set the record straight before we get into the vote-by-vote consideration.

I would say at the outset that we in this ministry know we are not perfect. We are dealing in a very difficult area where we are constantly faced with persistent, challenging problems. Even though we are not perfect, I think the record would indicate that in comparison with almost any other jurisdiction we are early the best.

Mr. Elston: Even the best of a bad lot does not make you very good.

Ion. Mr. Norton: That is a very subjective opinion that you are expressing, whereas mine is much more objective.

Mr. Elston: Mine is just a very relative rating.

Mr. Laughren: Other jurisdictions do not have either Ontario Hydro or anybody.

Ion. Mr. Norton: They are so unfortunate that they do not have an Ontario Hydro. At least we have more direct control in that situation.

First, something which was common to the opening remarks of both critics was the expression of concern about the application of the

environmental assessment legislation in the province. That is certainly a matter of ongoing concern and controversy, but I think it is worth putting into perspective. Going back to the time of bringing the legislation into force and up to the present, there have been approximately 220 exemptions in total. About 80 per cent of those exemptions have been very minor ones.

10:20 a.m.

I am going to give you an example of the kinds of things that come to my mind in terms of the exemptions I have been involved with in the time I have been in the ministry. They have ranged from things like canoe racks in provincial parks and putting in an outhouse in a provincial park to portaging routes around the falls in a provincial park. The ones I mention at the moment were obviously related to the Ministry of Natural Resources.

Statistically, each of those things shows up as an exemption, but I think if they consider what the undertaking was very few people would feel, given the volume of work involved and the intent of the legislation, that each individual project of that magnitude ought to be required to be subject to the act and go through the whole process. In most cases it is unlikely that a hearing would be required, but at any rate there would still be a very substantial amount of work in the preparation of an assessment and in the review of the assessment.

I think when you look at the 220, you have to bear in mind that a large number of them have been relatively minor undertakings and anyone, being practical, would recognize that they ought to have been exempted. There have been 10 larger exemptions which have been larger both in profile and in terms of the size of the project. The type of thing I am referring to here is Darlington nuclear generating station, Cayuga, and that type of thing. In that category of major projects there have been 10. They would not all be as large as those.

There were six exemptions granted in order to enable the early implementation of certain Board of Industrial Leadership and Development projects last year. They would vary according to size as well.

Let me give you another example of the kind of thing I believe would fall into the category of the minor ones. The way the legislation is drafted, it is interpreted to apply to renovations of buildings, especially if the use of a building is being changed. One of the ministries has a laboratory. The Ministry of Government Services has undertaken to remodel it or to perhaps change its focus somewhat. That would require an environmental assessment. It is not as if it is a major disruption to the physical environment because in those instances, and one in particular I can think of, the bulk of the work being done was internal to the building.

I am not sure that it was ever contemplated that the Environmental Assessment Act should apply to building renovations. In terms of the broader range of projects that we have to be concerned about, I would consider that a relatively minor matter and not be disturbed personally, except in some special circumstances that would cause me to do it differently. Normally I would not be disturbed about an exemption in that kind of situation.

For example, the Ministry of the Solicitor General has an exemption for things like the building of a police station in Kingston or in your community. Again, I am not sure people would normally feel that building a small detachment for the OPP ought to be something which requires a full-blown environmental assessment. Those are some of the kinds of things that have inflated those figures.

In terms of the numbers of submissions that have been made, there have been 83 submissions. Of those, 43 have completed the process to approval and five are undergoing hearings.

Mr. Elston: Solely under the Environment Assessment Act or in conjunction with others?

Hon. Mr. Norton: I am not sure how many of those would be caught by the—

Mr. Elston: Are they going ahead under the new consolidated hearings?

Hon. Mr. Norton: Yes. There are 27 in various stages of the process at the present time. Seven have been exempted after submission. I suppose the highest profile one of those would be Highway 404, or at least that section of Highway 404 of which I am sure everyone is aware. Three were withdrawn after submission.

Mr. Elston: They really do put it to you.

Hon. Mr. Norton: No. It depends who feels most put upon. I rarely have felt put upon, put to or whatever.

I hope those kinds of figures help to put some

of this in perspective. I know it is easy to look the data in terms of numbers of exemptions compared with numbers of approvals, but that alone can be very misleading. For example there were 55 exemptions granted at the time the act was brought into force. They were related to things like projects that were already under way or in advanced stages of planning. Some of them were some classes of exemption that would cover a number of similar kinds of projects.

Mr. Elston: One thing you have mentioned there was "blanket," which brings me to a situation where you grant blanket exemption. For instance, there was one that was given to the Ministry of Natural Resources not long ago which would give a large number of other exemptions.

Hon. Mr. Norton: It was not just the Ministry of Natural Resources. I think there was one that granted exemptions for research, subject to a research project that might constitute a significant concern being designated. Prior to that every time Ontario Hydro was engaging in anything from a fish-stocking experiment to you name it, it was caught by the act. I do not think that would have been contemplated by even the most vociferous proponents of the legislation at the time it was being considered.

Mr. Wildman: But Darlington would.

Hon. Mr. Norton: As I said, there were a larger projects that have a higher profile. I do not think you are going to change Darlington now.

Mr. Elston: Could you identify some of the exemptions that could be classed as blanket exemptions to the ministry which deal with projects like the construction of roads, dams or anything like that?

Hon. Mr. Norton: I want to make a distinction. I think it is important to make a distinction between what you are using as blanket exemptions and class assessments.

For things like road widenings, municipal bridge construction and that kind of thing, those similar kinds of activities will be covered by class assessments, which does not mean they have an exemption. What it means is that there is an overall assessment prepared which would set out the steps—whether a municipality or ministry of the government is involved in a road widening—that they would take to adequately protect the environment and to demonstrate environmental concerns in those kinds of projects. Provided that they comply with the require-

ents set out in the class assessment, they could not have to go through a full individual assessment every time they wanted to pave the shoulder of a road.

I can give you further examples of that and specifics if you wish. Is that the kind of thing you are thinking of? I don't know of any sort of blanket exemptions.

7:30 a.m.

Mr. Elston: I may check into that and get back to you during the estimates.

Hon. Mr. Norton: I realize I shouldn't run on too long because I am sure you people have things you want to get into in terms of the estimates themselves.

Coming back to acid rain, I won't go into details at this stage in terms of the efforts and achievements of the ministry in the area of acid rain other than to say that I make no apologies for the work that has been done by the ministry both prior to my arrival in it and since. I think it is recognized that the ministry in Ontario is really very much at the forefront along with a very few other jurisdictions in the world on this particularly menacing problem.

However, the concerns that have been expressed about General Public Utilities are creating a great deal of confusion. If we can do anything during the course of the estimates this year to help clarify that situation, I think it would be well worth while both in the interests of improved communication with the public and also in improved understanding on the part of some of you who are most interested in the problem.

First of all, in terms of the general commitment that Ontario has reflected in the reduction of sulphur emissions, you have only to look at the patterns in overall emissions in the provinces of Canada from Manitoba east to see that the problem is one which is mainly focused on the eastern North America.

In the case of most provinces, with the exception of the two smaller Maritime provinces where there has been a fair amount of stability in emission levels, all other provinces except Quebec and Ontario have experienced a very significant growth in their sulphur emissions over the last decade, between 1970 and 1980.

In the early part of the 1970s, Quebec was stable, running around—well, it fluctuated within 10,000 tons—1.3 million to 1.4 million tons a year until 1975 when it experienced a reduction.

Since 1975 there has been no significant reduction in their levels of emission.

One jurisdiction that stands out from the general pattern in the country is Ontario where over the decade from 1970 to 1980, and even today, there has been an overall general trend in reduction—in fact, a reduction of 50 per cent during that decade. That is not taking into consideration the time when Inco was shut down because of work stoppages. For example, 1978 was an unusual year because of the work stoppages. Not counting that as part of the trend, there has still been a major and significant trend in reduction, as I say, of 50 per cent.

Mr. Elston: The one exception to that trend is Ontario Hydro, whose emissions have gone up in the face of declines at both Inco and Falconbridge, which have been the major reasons why emissions have been reduced.

Hon. Mr. Norton: I would urge you not to ignore the fact that what is happening with Ontario Hydro was clearly stated by my predecessor in January 1981, I believe, when the present regulation was put in place. He said that in 1981 and 1982 there would be increases in emissions from Ontario Hydro, so I don't want you to try to make that sound like something we were not told about two years ago.

Mr. Elston: Oh, no, I am not saying that we weren't told about it. I am thinking that if Inco and Falconbridge had taken steps to introduce technology in a private corporate sense, that if we now find we have technology available as a public owner of a corporation, we should probably make every effort we can to ensure that the technology is installed and not increase anything beyond what projections were in 1980.

Hon. Mr. Norton: If you could build a scrubber for Ontario Hydro this year, I am sure they would be very happy. The fact of the matter is you can't, and it does take a lead time of up to four years or so. The other thing you can't do—if you can you may make a good profit—is go out on the coal market and line up some firm contracts in low sulphur coal for Ontario Hydro in a very short time frame. If you could you might well have a lucrative future ahead of you.

The fact is that we are talking about the time frames that are necessary in order to achieve the targets that have been set out. You can't do it overnight.

Mr. Elston: I realize you can't do it overnight. We got into a bit of a discussion when we had the motion concerning General Public Utilities and what failure to approve the National Energy

Board decision would mean in terms of jobs. If we take environmental preventive installations at Hydro, that will also mean a number of jobs and it will mean long-term jobs in terms of three, four or five years or whatever we are looking at. With those things being weighed in the balance, I can see a benefit could be used as an argument—

Hon. Mr. Norton: Please don't fall into the pattern. The purpose of the exercise is surely to achieve significant, meaningful reductions.

Mr. Elston: That's right.

Hon. Mr. Norton: I was an English major at university. I enjoy symbolism and I understand symbolism, but there are times when symbolism is bloody nonsense. To get locked into talking about only one technology because it is symbolically sexy just doesn't make sense.

Our federal Minister of the Environment is running that risk because he talks only about scrubbers. There are other ways of skinning the cat. I don't think that my ministry should get into the business of saying you must install X number of scrubbers. What is important is the reduction of emissions and what we are saying in our regulation is, "You must achieve that level of emission." If it involves scrubbers, fine. I am personally not convinced that scrubbers are not without their problems either, and I think you could discuss this at will with some of our staff.

I am concerned about what we are going to do with the hundreds of thousands of tons of sulphur sludge that are going to be produced by the scrubbers that Ontario Hydro is planning to put in, and that is something that has to be addressed.

Mr. Charlton: Mr. Minister—

Hon. Mr. Norton: Be patient. I was patient when you were speaking. I didn't interrupt you once that I can recall. I was so polite last night. All right. Go ahead.

Mr. Charlton: The reductions in emissions over the last decade that you talked about are interesting. Do you have any breakdown of those figures?

I would be interested in seeing how much of those reductions are as a result of new technology in abatement and how much are as a result of the fact that over the course of most of the last decade most of our large industries have been operating at substantially less than capacity. I understand that the average would be somewhere between 80 and 85 per cent of their capacity.

How much of the reduction is a result of

reduced operation, and what will that do to us and when we get the economy in this province back on track and those industries are operating at full capacity?

Hon. Mr. Norton: It is a combination of things. Reduced capacity, or at least reduced demand in the market, has been a significant factor in some instances. Let us take Inco as an example. I presume everybody recognizes that Inco has not been producing at capacity for some time.

10:40 a.m.

Mr. Laughren: Not today.

Hon. Mr. Norton: Not today especially. In fact, they might not have a plant left by now. I am not sure of that.

Mr. Wildman: That indicates a bias.

Hon. Mr. Norton: No, sir, it means I just list to the news. Maybe the news is not correct. I know it frequently is not when it quotes reports me.

Mr. Charlton: Then you should not believe too much of it.

Mr. Elston: Are there any press people here?

Hon. Mr. Norton: I thought Mark was already out of his seat and on his way.

They are now held at levels, by regulation that would prevent them from increasing. Whether there is an increased requirement in production or not, they cannot exceed the levels of the regulation.

Mr. Charlton: How many of the other major industries in this province are in that situation?

Hon. Mr. Norton: I am sure there are several but I am speaking in terms of emissions. We could talk at length, and maybe we will later again, but—

Mr. Elston: There may not be time.

Hon. Mr. Norton: —there may not be time now.

For example, if we were to talk about the refining industry or the petroleum industry in Ontario, obviously it is an area we are concerned about. But in terms of the sulphur emissions from the whole of the petroleum industry or the refining industry in Ontario, that constitute in a year about the equivalent of maybe 10 days' production at Inco.

We have been targetting primarily upon the major sources. Some fluctuation from year to year in terms of production from the petroleum refineries, in terms of percentage change and impact on the environment, is not going to make

major difference. That does not mean they are going to be ignored. It means that if your point is leading up to the fact that they may be faced with the same problem in places like Stelco, that's true, but in terms of their contribution, it is a much lesser contribution at this point.

Mr. Charlton: I understand that, but the simple point I am trying to get at is you throw out the 50 per cent figure.

I think what we want to discuss here is not that the reduction was, but what the reduction was that has resulted from abatement, from new technologies. We do not want to know about how much of it was as a result of reduced production. What we want to know is what we have accomplished environmentally.

Hon. Mr. Norton: I do not know that I can give you a specific percentage breakdown in terms of the reductions as to what portion was directly attributable to changes in market and which was a result of some technological change, but certainly a significant part of it was a result of the effort directed towards the improvement of ambient air quality.

I am not suggesting that the reduction over that decade was primarily to deal with the problems of long-range transportation of pollutants. The problem we were trying to redress in the early part of the 1970s was ambient air quality, primarily for human health considerations. Do not try to pretend that it was only because of changes in production.

Mr. Charlton: I am not trying to pretend that. That is why I asked you for a figure. If I didn't think there was a figure, I wouldn't have asked you for one.

Hon. Mr. Norton: I cannot give you a specific figure. I do not know whether anybody can, but can see about it.

Mr. Charlton: There are two basic reasons for the question. One is so we can get some kind of perception about our real accomplishments in terms of environmental cleanup. The other is so that we can get some idea of what the impact of economic recovery will be on the environment, either from the perspective of increased emissions or from the perspective of slowing down the economic recovery because of the need for cleanup before they can gear back up to 100 per cent. Because there is a control order in place or whatever, they have to go through a major technological change so that they can meet that control order.

I think both of those matters are important.

Hon. Mr. Norton: Yes, but I am not sure whether you are going to get the answers in this committee because I am not sure we have that kind of specific breakdown.

I find it interesting that the argument I think you are getting at here may not be unrelated to the kind of situation or arguments that you made on the General Public Utilities matter. For example, would you argue that even though Inco might be able to achieve 1,950 metric tons this year—and they can still do it within the level of the order some time during the course of this year even though there was a major increase in demand for production—they ought not to be allowed to increase their production because they could go further down if they did not? That is the argument that some people are making with Ontario Hydro.

They are saying that even though they are looking at a 43 or 50 per cent reduction, and even though they will achieve it, they ought not to be allowed to increase production whether it is for export or domestic purposes. If you apply that same argument to companies like Inco, or other corporations in Ontario that are faced with the situation you are describing, you would presumably say that they should never be allowed to increase their production up to whatever the market demand is because in doing so they would be emitting more sulphur than they would if they did not increase their production, even though they were within the existing order.

That kind of logic escapes me. That is basically the argument that some people are making about the GPU.

Mr. Charlton: That is not the basic argument that people are making about GPU because the whole GPU thing, first of all, is the total change in the nature and mandate of Ontario Hydro.

Hon. Mr. Norton: Hold it now. Ontario Hydro is already exporting surplus power on an uninterruptible basis.

Mr. Charlton: That is right.

Hon. Mr. Norton: GPU, in terms of the approval for the export, is dealing with the conversion within the ceiling that has already been approved two years ago or whenever it was. This is not an approval over and above what they already had approval for, but a portion of it converts from interruptible to a secure noninterruptible export.

Mr. Charlton: As I understand it, there is no question that Ontario Hydro is going to have to rev up additional capacity in order to fulfil that

contract, perhaps not in the first day but during the course of the agreement.

Hon. Mr. Norton: I am sorry, I missed that. What was that again?

Mr. Charlton: Ontario Hydro will have to increase its production in order to fulfil the contract.

Hon. Mr. Norton: They have to increase their production, but they also have to reduce their emissions. What is it you are worried about? Are you worried about increasing production or are you worried about reducing emissions?

Mr. Charlton: There are a number of things we are worried about in a GPU sale. We are obviously worried about the emissions that the increased production produces.

Hon. Mr. Norton: Some people are just philosophically opposed to export. Let's face that.

Mr. Charlton: We are also worried about the precedent that will be set on a firm power export. Ontario Hydro's mandate to this point has been to produce power for the people of Ontario at cost. The mandate is going to be changed. Who is going to carry the burden of any future capital construction in order to produce power for export? You know damn well who is going to carry the can on that one, the ratepayers in this province.

Hon. Mr. Norton: Nonsense.

Mr. Charlton: It is not nonsense. You are going to have to come up with the capital somewhere.

Hon. Mr. Norton: I am amazed that you do not find that irrelevant. Last night you found most other things irrelevant.

Mr. Elston: Mr. Minister, we keep helping you.

Hon. Mr. Norton: That is right. You are much more relevant this morning.

Mr. Wildman: Talking about double-speak, they have to increase their production and reduce their emissions. They are increasing their emissions by increasing their production and therefore they have to reduce emissions to bring it down to a level they might not have reached anyway. That is ridiculous.

Hon. Mr. Norton: Oh, come on. You and I need to discuss this a little more fully. Let us do it later rather than right now because actually we could go on.

Mr. Elston: The problem is whether this is helpful. Once those orders and regulations are

there to set emission levels, I think there is a natural tendency to go to that level and maybe not cut back as far as you might otherwise guess because it is a plateau you have to meet, a goal you will. I do not know how else you might develop a program which would help people go below those levels.

10:50 a.m.

Hon. Mr. Norton: I don't know either. When you are faced with a speed limit of 60 miles per hour on Highway 401, and you happen to drive 59 or 60, does that indicate you are somehow simple and irresponsible or immoral? I would have thought if that was the ceiling, as long as you stick within that, then you are functioning properly within society. One may well at some point decide that the speed limit ought to be 50 or 40; therefore it is posted accordingly and you comply with it when you get into that zone. Ontario Hydro will have to do the same thing.

Mr. Charlton: Control over a regulation for emissions is something totally different to speed limit. The comparison is just not appropriate at all.

Hon. Mr. Norton: It is irrelevant.

Mr. Charlton: That is right. It is irrelevant.

Hon. Mr. Norton: It is amazing how things become irrelevant when they don't suit your argument.

Mr. Charlton: The regulation or the control order is a part of what you express in your opening statement as—

Hon. Mr. Norton: It is a maximum.

Mr. Charlton: —a beginning towards an eventual goal.

Hon. Mr. Norton: That's right.

Mr. Charlton: If you set an arbitrary level for the year 1990 but can achieve more, because the arbitrary level you have set is not all that is really required and you can achieve more, don't you have a moral obligation to do that because of the damage that will be done if you do not go for the additional reduction you can reach?

Hon. Mr. Norton: As an individual or as a corporation you may not. Morally perhaps you may, but certainly legally you do not have any requirement.

Mr. Charlton: Are you not, as the Minister of the Environment, responsible for protecting the environment on behalf of the people of Ontario?

Hon. Mr. Norton: Absolutely. If your argument is—

Mr. Charlton: If you become aware of a company's ability to get to a lower level than that you have set in your regulation, don't you have a moral responsibility to require that company to get to the lower level?

Hon. Mr. Norton: Yes. It would be my responsibility to determine whether they could achieve a lower level and require them to achieve the lowest level they reasonably can.

Mr. Wildman: That brings us back to the 1975 co report.

Mr. Williams: Mr. Chairman, do you think we are going to get to vote 2101 before the estimates are over?

Mr. Chairman: I know we will before they are over; we will get to them all. But I agree, I think the minister is trying to move on here and the committee doesn't seem to want to let him.

Hon. Mr. Norton: I am quite enjoying the change.

Mr. G. I. Miller: You give the tonnage for Quebec. What is the tonnage for Ontario?

Hon. Mr. Norton: The tonnage for Ontario is obviously higher than Quebec. In 1980 figures, the figure for Quebec was 1.158 million metric tons, with an error of margin of plus or minus 15 per cent. Ontario's figure was 1.7 million. That is presumably not surprising given the size of the industry. When you look at what they were in 1970, you get a much—

Mr. G. I. Miller: What were they in 1970? Do you have those figures?

Hon. Mr. Norton: Again, bearing in mind the margin of error, Quebec's figure was 1.39 million metric tons. They were in that range until about 1975 and then dropped; they have been fairly constant since 1975. Ontario's figure in 1970 was 3.4 million.

Regardless of all the factors that are involved, when one looks at it from an environmental point of view, it is a very significant decade in terms of reduction of sulphur.

Mr. Elston: There still is a significant emission which I think must be dealt with.

Hon. Mr. Norton: Of course, but if other jurisdictions follow Ontario's example, we could probably lick the problem throughout eastern North America. The scientists in the working groups under the memorandum of intent are suggesting a 50 per cent reduction, which Ontario and Canada have committed themselves to in an effort to try to get the Americans to make a comparable commitment; this would probably

arrest the environmental damage from sulphur emissions.

Even if we worked from 1980, we will see that happen within this decade. Under the existing regulations, Ontario Hydro—and I would hope we would be able to look at Inco in the same light before too long—will be reducing their emissions by almost that percentage reduction.

However, it is naive to say that is all Ontario Hydro might have to do. If we are going to achieve an overall 50 per cent reduction, major contributors are probably going to have to reduce by more than that to compensate for the fact you cannot put scrubbers on somebody's fireplace chimney. I suppose you could, but it is an expensive proposition.

Ontario has been setting a very fine example both within Canada and internationally. I feel like a lone voice in the wilderness. The way you guys like to hammer away at us you would think we had been irresponsible. In fact, we are trend setters.

Mr. Charlton: Keep it up.

Hon. Mr. Norton: That is right. That is what I said. I respect the system and I also respect the fact your rhetoric carries you away once in a while.

Mr. Elston: We are making you a better minister for our advance scouting.

Hon. Mr. Norton: You will have me a nervous wreck.

Mr. Riddell: We are also mindful of the dead lakes in northern Ontario and the legacy we are leaving to future generations.

Hon. Mr. Norton: Well, at least you can be sure of one thing. We have relatively few dead lakes and we are one jurisdiction that is doing something about it. We know we are incapable of doing it entirely on our own because it is an international problem, although we have a lot to do ourselves. But do not be sucked in by these naive calculations about 560 lakes. I do not care whether they are Mr. Rudolph's calculations or Mr. Rubens' calculations, or whoever's they might be. We can come back to that, and I would encourage you to discuss the illogical assumptions that underlie those calculations with our staff. If you are patient and work through those calculations with them, you will come to the same conclusion. You just cannot substantiate those kinds of calculations.

Mr. Riddell: You are questioning the scientists' reports. I happened to be on the committee when we dealt with this very thing. As a matter of fact, I was on the committee when we got the

environmental assessment legislation. We heard scientists on this very matter. They came in and told us about the number of lakes already dead and that there would be substantially more lakes if something was not done within the next two decades.

Hon. Mr. Norton: All right. But you cannot say it is going to be 560 as opposed to 130 or 5,600 perhaps. It is naive.

Mr. Elston: It makes it even more of a reason to act on, does it not?

Hon. Mr. Norton: Yes. I would also point out there are probably very few scientists who know more about the aquatic effects than the scientists in our ministry. I would encourage you to discuss it with them when we come up under that vote.

Mr. Wildman: Kramer.

Hon. Mr. Norton: Kramer versus Kramer. I saw that movie too.

Mr. Wildman: I think what is important, and I am sure you would agree, is the length of time it now takes on average to catch a lake trout and what effect that is having on the tourist trade.

Hon. Mr. Norton: It always took me a long time.

Mr. Wildman: The average has gone from three hours to nine hours. It has had a devastating effect and continues to have a devastating effect on the tourist industry in northern Ontario. It is not all acid rain. It is fishing pressure too. But I agree it is not that important to talk about numbers of lakes. What is important is there are a lot fewer fish in an awful lot of lakes in northern Ontario.

Hon. Mr. Norton: For a variety of reasons. I agree there is no single—

Mr. Charlton: We have decided to compensate for that by a 75-cent dollar.

Mr. Williams: It would be helpful to the minister and staff if we dealt with these very important issues under the appropriate vote. Then we will be able to draw on staff assistance where necessary.

11 a.m.

Hon. Mr. Norton: Are you suggesting that—

Mr. Williams: Not that we need the staff, but I think it would be helpful if we proceeded in a more orderly fashion. We seem to be jumping all over the map. That is all I am saying.

Hon. Mr. Norton: I thought you were going to say the staff would be more to the point and more succinct than I. I was going to say it is like

the pot calling the kettle black. Actually, your point is well taken.

I will just mention a couple of things I want to get into in more detail than under the votes.

Mr. Charlton: The question is, how did the kettle get black?

Mr. Chairman: We have spent a long time on this issue, Mr. Minister. There was a lot of agreement towards the end on a few things. I do not know if they are relevant or not.

Hon. Mr. Norton: If I can serve as a focal point to draw this group into some unanimity, I would be happy, even though they think I talk too much.

I would like to get into more detail on the waybill statistics, specifically in response to the comments made last night, and on landfill and waste management. But you are right, we can deal with those in detail later on. I could go on for the rest of the morning in dealing with those. Obviously you do not want me to enlighten you.

Mr. Chairman: I did not mean to cut you off altogether.

Hon. Mr. Norton: That is all right. I think it is an appropriate time. Hazardous contaminants is one of them.

Mr. Chairman: I am at the committee's direction. Do you wish to go to the votes?

Mr. Riddell: Are we going to do item by item or are we going to do the whole vote, Mr. Chairman?

Mr. Chairman: Again, I am at the direction of the committee on how you wish to proceed on that.

Mr. Wildman: Mr. Chairman, I have a question on the first item.

Mr. Chairman: Do you want to jump around within 2101 or do you want to go down by item?

Mr. Elston: It might be more reasonable to go item by item and then we can start at item 1 main office.

On vote 2101, ministry administration program; item 1, main office:

Mr. Wildman: I note your funding for main office has gone from \$688,000 in last year's estimates to \$784,500 in this year's estimates. I am concerned about the operation at the main office. How many people does the minister have handling correspondence within his office?

Hon. Mr. Norton: I have one person who would direct the correspondence between constituency correspondence and ministry correspondence and would also direct it to specific

individuals and branches for purposes of background material for response. I have a person who works primarily on my constituency matters and who does most of the drafting of responses to constituents. One other full-time person spends part of her time as backup for drafting responses, but it is small portion of time.

Aside from persons who handle filing, that is it. There would be one person primarily responsible for handling the filing system in the office.

Mr. Wildman: I wonder if there might be a need, in terms of answering correspondence, to increase your staff. I wrote a letter to the minister on March 31 and I have yet to receive a response. I was wondering if there was some difficulty in getting out answers.

Hon. Mr. Norton: Yes, I think there is a problem in terms of turn-around time. I find it a constant source of frustration. We have been trying to improve that. Unfortunately, depending upon the nature of the correspondence, it sometimes requires a matter to be transmitted to the regional office for the appropriate background material because people in the regional staff may be the ones who have been dealing with it.

Let's use Wawa as an example. I do not know if that is what your letter was about.

Mr. Wildman: No. My letter was about the proposed control order for Algoma Steel in Sault Ste. Marie. In that case I would understand that the letter would probably have had to be referred to Mr. Lahey in the Sault Ste. Marie office for background information and perhaps preparation of a draft reply, or whatever. Then it would have been transmitted back to the minister's office for a response.

Hon. Mr. Norton: Not directly. Part of the thing we are trying to address is the overall sequence through which the correspondence goes. At the present time, I presume it would come back to the assistant deputy minister from regional offices for some review. My concern is that it may go through too many hands before it gets back to my office. That is something we are looking at.

You are right. Two months is too long for any problem, unless it is something where an interim response is necessary because the information is simply not available until some later date.

Mr. Wildman: There was some comment in the press by Mr. Lahey on the same matter subsequent to my letter in the Sault Ste. Marie Star, but I have not received a response as yet.

I was asking in the letter if I could get some information as to when the proposed control order to cut dustfall or reduce coke oven emissions in the atmosphere and lower the amounts of sulphides, ammonia, cyanide and phenols into the St. Mary River would be published, if you could give me a date when you expected it would be published.

I understand this is a very complex and comprehensive control order. I also understand that Algoma Steel has responded to the ministry's indications of controls with proposed methods or approaches to limiting emissions. Basically, I was asking when we might expect a control order to be issued and if you could give me a date. Since I have not received a letter responding directly, is it possible for you to give me that information now?

Hon. Mr. Norton: I do not personally have that but I would suggest that you raise it tomorrow evening when Mr. McIntyre will be here.

Mr. Wildman: I know Mr. McIntyre. Unfortunately, I will not be here. I will be in Sudbury tomorrow evening talking to officials from both sides in that rather difficult dispute.

Hon. Mr. Norton: Mr. McIntyre will be here for the balance of the sittings, I should think.

Mr. Wildman: I do not want to make a big deal out of the fact I have not yet received a response to a letter. I just hope I can get that response some time during these estimates.

Hon. Mr. Norton: We shall try to.

Mr. Chairman: Is there anything else on item 1?

Item 1 agreed to.

On item 6, information services:

Mr. Riddell: Under item 6 we have a sizeable expenditure devoted to advertising which I want to question.

In 1980-81 there was \$2.1 million spent on information services. We recognize the fact that 1980-81 was an election year. In 1981-82 it dropped to \$1.4 million, which was \$750,000 less. This year it has gone back up to \$2 million.

Hon. Mr. Norton: Are you reading into that we might expect another election this year?

Mr. Riddell: We never know what you beggars are up to. How much of this money is devoted to advertising, such as "the clean lakes," and "Isn't Ontario beautiful?" and all that other good stuff?

11:10 a.m.

Hon. Mr. Norton: I am sorry, would you repeat the question?

Mr. Riddell: Surely I don't have to go over that again.

Hon. Mr. Norton: No, I heard most of it. It is just that I didn't hear the question.

Mr. Riddell: Under information services—I trust this includes your advertising—I am wondering how much money is actually being spent on advertising “clean lakes” and “Isn't Ontario beautiful?” and all the rest of this propaganda.

Hon. Mr. Norton: I will try to get the full figure for you. It is true that the advertising budget for the ministry would be included within that figure, but it is also important to emphasize that not all of that increase is related to advertising itself.

Mr. Riddell: What is it related to then?

Hon. Mr. Norton: It includes things like salary adjustments and awards, the comparable adjustments in benefits, the information programs. I am not speaking now of advertising but rather the variety of information programs involving brochures and so on related to environmental matters the ministry is involved with.

Some of it is related to the purchase of additional library material, some of it is obviously related to inflation, and some of it is related to a second phase—I am speaking now of this year's estimates—of the advertising program that follows up on the first phase you were referring to, I think, the “stay beautiful” program.

That is not by any means in its final stages of planning. It is my concern that we make sure the ads not only communicate but be seen to be communicating important and meaningful information to the public. It covers all of those things.

Mr. Elston: Are you saying that the “stay beautiful” phase two of this program is not yet in place?

Hon. Mr. Norton: Yes, that is right. It is in this year's budget but it is not yet in place.

Mr. Elston: I think you commented last December that the ads would be starting up again in the spring of 1982, so are we looking somewhere in the summer and fall?

Hon. Mr. Norton: Yes. I have to assume some responsibility for that because of my concern for the content.

Mr. Elston: Will you be available for filming?

Hon. Mr. Norton: I assure you I will not be featured.

Mr. Elston: How much is actually going into that production?

Hon. Mr. Norton: The budgeted figure is \$350,000.

Mr. Elston: Can you win another award with that sort of thing?

Hon. Mr. Norton: We won the award on a lot less money than that. The figure for that film was \$100,000. Think of what we are getting out of that. It is now in wide circulation across North America and in great demand. The Canadian consulates are distributing it throughout the United States. I am being harassed by requests for première showings in each state in the United States.

Maybe I should ask you critics to stand in for me on one or two of these occasions and tell me what a good job we are doing.

Mr. Riddell: Why do you feel it is necessary to use taxpayers' dollars in a time of restraint to try to convince them that they are living in a beautiful province? What is the point of all this?

Hon. Mr. Norton: There is more to it than that. I think the point in part is to try to make people aware of the importance of the environment, to develop in them a sense of pride and commitment to maintaining that, to help get the message across that it is not just something the government or our field staff can sit around at Queen's Park and do on their own. It is a commitment that has to be shared by everybody if we are going to have a healthy environment.

Mr. Riddell: But you are not asking for that in the advertisement.

Hon. Mr. Norton: Sure we are. It may be subtle, but it is there.

Mr. Riddell: No. You show how beautiful Ontario is and what not. To my way of thinking there is nothing in the ad that entices people to try to keep Ontario beautiful or to suggest what they might do to keep Ontario beautiful. It is just trying to convince them you are doing on heck of a job keeping good old Ontario beautiful.

Hon. Mr. Norton: It is hard to subdue the truth, but we are also trying to get people on our side.

Mr. Riddell: I would like to come back to the truth bit. I have always regarded you as a man of honesty and integrity, but do you not feel uneasy putting out an advertisement that is really a distortion of the facts? The fact of the

matter is we have dead lakes in northern Ontario. I do not care whether you talk about one lake, 100 lakes or 500 lakes. It is a bloody crime we have even one lake in northern Ontario that has become a dead lake and, according to scientists, can never be restored.

Hon. Mr. Norton: The jury is still out on that, but I agree that is a very real possibility.

Mr. Riddell: I have watched these ads and I think, my good God, here is Keith Norton, a man whom I always thought had a fair bit of honesty and integrity, but who is prepared to have that kind of crap come out of his ministry when he knows we have largely been responsible for allowing the lakes to die. We did not clamp down on industries when we should have to prevent this type of thing from happening. We are leaving a legacy to our children which I think is a bloody crime.

Hon. Mr. Norton: In large part, we are dealing with a legacy that was left to us. I do not think anybody knows how many of the lakes may have gone over the brink in the last decade or so. It is clear some of them have been dead since the 1920s or earlier, especially in Sudbury.

Mr. Riddell: Do you mean from natural causes?

Hon. Mr. Norton: No. I am thinking specifically of the Sudbury area, going back to the days when smelting took place on pits, logs and so on. The local damage was ravaging in those days.

Mr. Riddell: But we had a government in those days too.

Hon. Mr. Norton: Sure. But you have to bear in mind no one was aware of the association between sulphur emissions and the impact on the environment until around 1970.

Mr. Charlton: Except in the case of Sudbury.

Hon. Mr. Norton: I should qualify that by talking in terms of long-range transportation. People were aware of local effects. Even in the early 1970s the thrust was primarily on improving the quality of the air we breathe. It did not deal as much with the impact upon the physical environment, upon lakes and vegetation and so on. It was to improve the ambient air quality. As I understand it, that was the reason they decided to use the high stack in Sudbury. It was effective to do what it was designed to do, but it created other problems they were not aware of at the time.

You should be proud that the Ministry of the Environment in Ontario, and perhaps its counterpart in Sweden, is really at the forefront of

dealing with this problem. We are not laggards sitting back and letting our lakes die. We are internationally recognized as being in the forefront in terms of computer modelling and research on aquatic effects. Some other jurisdictions may be a little further ahead in terms of terrestrial effects, the effect on forests and so on. We are in the forefront in the world. You can be proud of that. Maybe that is what we should say in the ad if you have missed that.

Mr. Riddell: We are also saying in the ad that we are endeavouring to close the door once the horse has escaped. Maybe we are going to keep more horses contained. Maybe we got to the door before all the horses got out.

11:20 a.m.

You could be doing more justice to the people of Ontario, particularly to the farmers. Many farmers fail to understand why, if anything, their yields are starting to decline regardless of their soil management practices and regardless of the amount of fertilizer they are using. I do not know how much scientific study has been done, but I am prepared to bet a lot of the reason is due to acid rain. Maybe if you were honest in your advertising, you could tell the farmers not to be concerned that they are following the wrong farm practices because their problem may well be acid rain. That story is not getting out.

Hon. Mr. Norton: Nobody can say that at this point. We are doing research in this province on soils' effects. I recently visited one of the universities—this particular project was not funded by us; it is funded by the federal government—where they are doing longer-term research on the effects of acid precipitation on soils over time.

Mr. Riddell: Are there any results from these studies?

Hon. Mr. Norton: No, not from that because it is still too early to draw any conclusions.

Mr. Riddell: Do we know what acid rain has done to the forests in northern Ontario where it is a little closer to some of the emissions?

Hon. Mr. Norton: Again, what we might do, if you like, in terms of these estimates, is have some of the staff who are most closely involved with those areas of research sit here and respond more specifically to your questions.

Mr. Riddell: I would be interested.

Hon. Mr. Norton: I stand to be corrected but it is fair to say we probably have relatively few observed effects in terms of terrestrial effects.

Most heads I see are nodding yes. It is interesting to note there are other jurisdictions where the exposure has probably been over a longer period of time and perhaps periods more concentrated certainly than here—West Germany, for example—where they believe they are observing terrestrial effects. I do not know what they have done in terms of agricultural crops but they certainly claim effects on their forests. It may be beneficial to certain species of trees that thrive in acidic soil, but it is damaging to others that do not. It is an area in which our research is continuing.

You mentioned the recovery of lakes. We are doing experimental work now in the liming of lakes. We are approaching it a little more cautiously than some other jurisdictions—I am thinking primarily of Sweden—because we want to answer the kind of question you raised. Is it possible, for example, to do more than neutralize the water or to hold off the further degradation of the lake? Is it possible to restore it? We do not know the answer to that yet and I do not think anybody does for sure.

Sweden, on the other hand, is doing a lot more extensive liming, or planning to if they get their budget approved. They are doing it out of desperation because they have not really done any more research than we have. They do not really know what the long-term effects are going to be. They know it may hold some of the damage at its present level.

Mr. Riddell: I am sure you can see the irony in the kind of advertising emanating from your ministry. There is the booklet we get once a year telling people they cannot eat the fish out of one lake, but that they may be able to eat one or two out of another lake but not three or four. Do you see an irony there?

Hon. Mr. Norton: No I do not, not at all.

Mr. Riddell: You advertise a beautiful Ontario and then you advise the people not to eat the fish out of the lakes.

Hon. Mr. Norton: There are very few instances where they are told not to eat any of the fish. What that booklet indicates and what the acid rain situation or acidified lakes indicates is that as an industrialized jurisdiction, the most industrialized in Canada, surrounded by some of the most highly industrialized jurisdictions in North America, of course there has been damage to our environment.

Bearing that in mind and taking a look at the overall situation, one can still confidently say we have done a very good job, and we are doing

a good job today, both in terms of redressing past ills and in terms of taking steps to prevent future damage.

There is something I used to remind myself of from time to time, namely, an anecdotal definition of sanity a psychiatrist—a friend, not my doctor—tossed out. He felt a good anecdotal definition of sanity was being able to lie on your back in the grass, resting your head on the soil knowing that underneath your head there were worms crawling about and grubs eating grub and ants fighting ants and so on, but in spite of the knowledge that this was happening just behind your head, you still had the capacity to look at the overall beauty of the sky and the trees and creation and appreciate the miracle of it all.

That is what I am suggesting you do, Mr. Riddell and do not let the odd grub get you depressed.

Mr. Riddell: No.

Hon. Mr. Norton: There are some very hopeful things happening in our society.

Mr. Elston: The Minister of the Environment is at the forefront of it all.

Mr. Riddell: These grubs and what not have all been put here for a purpose, but my concern is that we are destroying Mother Nature and the many good things she has done over the years. Worms and grubs are very beneficial in the soils. This is why I am inclined to agree with my good friend Ross Stevenson over there that we had better look into biotechnology and ways of controlling weeds and insects on our crops rather than chemicals because we are bloody well destroying the worms.

I know that. I would dearly love to be able to lie on the ground with my head knowing that the bloody worms are crawling through the soil.

Hon. Mr. Norton: I think you have stated a much different interpretation regarding that.

Mr. Riddell: If you want to go back to good old Shakespeare, he says there is no difference between the king and the peasant because when we are all in the ground the worms look after all of us. I may catch a worm that happened to eat the old king and catch a fish with it.

Hon. Mr. Norton: The only point I am trying to make is do not let those less pleasant things obsess you to the extent of blocking out your capacity to look at the good things.

Mr. Chairman: I think the minister got across his point. Do you want to do anything else on this?

Mr. G. I. Miller: I have one question in connection with keeping Ontario beautiful. Would it not fit in with a day or week that should be set aside to make Ontario really beautiful? Can some of this money be utilized in that direction? I noticed after one year's absence, along with the anglers and hunters of Ontario—you set aside one week through a press release. However, there is really no organized effort on behalf of your ministry, along with the Ministries of Education and Transportation and Communications, to organize a cleanup day. This would be useful in keeping Ontario beautiful and getting the public and our young people to participate. Do you have any comments on that and do you plan on making this a yearly event?

Hon. Mr. Norton: It is fair to say yes, that is what I would expect to happen. We have been very supportive of the hunters and anglers in their effort.

As I understand it, there was a hiatus last year of their request because they felt the need to hire someone to co-ordinate it on their behalf across the province. Last year they said they were not going to follow through with it but they would work in preparation for having someone in place to co-ordinate it this year and they are. We provide funding for that, a \$7,500 grant, and they also contribute. On the whole, it is very worthwhile.

I do not know whether you are suggesting that we should take it over and make it ours as opposed to encouraging the hunters and anglers, private citizens in a private organization to do what I think is a very responsible community activity. When there are groups that are willing to assume that kind of responsibility in society, their role ought to be to encourage them and to support them.

Mr. G. I. Miller: I agree with you, but you said you spent \$7,500 to support this program while they are spending \$2 million to advertise how—

Hon. Mr. Norton: Hold it. We are not spending \$2 million on advertising. Don't get carried away.

Mr. G. I. Miller: How much money are you spending on advertising?

1:30 a.m.

Hon. Mr. Norton: With the specific project, a total of \$602,000.

Mr. G. I. Miller: That is a considerable fund and you are trying to promote—

Hon. Mr. Norton: But do not forget that advertising includes all the advertising in the

ministry and would include the guide to eating sport fish, the document that—

Mr. Elston: The irony that was pointed out.

Hon. Mr. Norton: Mind you, I think you guys should appreciate the fact that our ministry receives inquiries from literally all over North America. When our staff go to international conventions, they have requests for copies of it.

Mr. Elston: How many conventions do they go to?

Hon. Mr. Norton: I do not know. There would be quite a few. The number of books published is 200,000.

Mr. Elston: Is that one per staff member?

Hon. Mr. Norton: Probably no other jurisdiction has that data base in terms of the fish testing program or puts out such a comprehensive and detailed guide to fishermen.

On the one hand, we are recognizing a problem, but on the other hand, I think you have to recognize that the ministry is dealing with it very well.

Mr. G. I. Miller: Again, I would just like to bring to the attention of the minister the fact that your colleague Doug Kennedy from Mississauga announced an Arbour Day on April of this year in Toronto. We had a request from our local board of trade for the Pitch-In bags to pick up garbage. They are setting these aside, with the chamber of commerce in Jarvis, and they are going to carry it out this Saturday.

Do you not think that it still could be co-ordinated? Many schools participated in it, along with Shell Canada, which provided the garbage bags. Do you not think \$7,500 is very minimal when you are spending \$602,000 just on a campaign to keep Ontario beautiful?

Would it not be more meaningful if you could lead the way and with the support of the anglers and hunters and the other ministries—Education, Transportation and Communications and Natural Resources—set a week aside, maybe the second week in May, to co-ordinate an all-Ontario cleanup program to make everyone aware that Ontario really is beautiful?

Hon. Mr. Norton: Again, I guess it depends upon the approach. Are you suggesting, by mentioning Arbour Day, that this should be part of Pitch-In?

Mr. G. I. Miller: Maybe, so it would be co-ordinated across the province.

Hon. Mr. Norton: Doug Kennedy has discussed his particular interest in Arbour Day with me on a number of occasions. We have

talked about how it might best be arranged to formalize that in some way, either through a private members' bill or perhaps even a government bill.

I am certainly not adverse to that. In fact, I do not know when Arbour Day went out of style. When I was a student in school, we still had Arbour Day on an annual basis. I do not know whether it was ever legislated or whether it was just a traditional practice, but it certainly used to be an annual event.

What do you feel we ought to do more in terms of Pitch-In than we are already doing? What I would not want to do is move in and say, "Here is taxpayers' money to do this. You corporations who are contributing the garbage bags and you who are contributing other things back off and let government do it."

I do not want to do it. I would rather encourage that kind of corporate and individual responsibility. What more do you think we should be doing?

Mr. G. I. Miller: I think we should recognize it on a yearly basis on a specific week. I would say the second week in May.

Hon. Mr. Norton: Isn't it a specific week now?

Mr. G. I. Miller: The week of the tenth.

Hon. Mr. Norton: I know it is the intention that it be annual, but I do not know whether they have a fixed week in mind or not.

Mr. G. I. Miller: Why not have all the organizations, like the school boards, the boards of trade and the anglers and hunters, set that week aside?

Hon. Mr. Norton: What we have done so far is respond to the request of the Ontario Federation of Anglers and Hunters. They were the ones who took the lead. It may be worth some further discussion with them. On the other hand, I would not like them to think, once they have a good idea that they are promoting across the province, in comes the Ministry of the Environment bringing in other agencies and usurping the role of the Ontario Federation of Anglers and Hunters. One has to be careful not to steal their idea as opposed to encouraging them in their efforts to make it an even bigger success each year.

Mr. G. I. Miller: I would not suggest stealing it but working along with them to expand on it and give them more assistance.

Hon. Mr. Norton: I have some further information here about the funding. Initially, \$45,000

was provided to assist in the mounting of the program. The \$7,500 is a maintenance grant actually.

Mr. G. I. Miller: Was it \$45,000 in 1980?

Hon. Mr. Norton: It was 1981-82 for the \$45,000.

Mr. Riddell: Before we leave this, I would like to ask the minister if there is any overlapping between his activities or those in his ministry and the activities of the Ministry of Agriculture and Food. In other words, are you people concerned about the preservation of agricultural land?

Hon. Mr. Norton: Is that the end of your question?

Mr. Riddell: You are certainly concerned about the aesthetic aspects of the environment. Is that right?

Hon. Mr. Norton: Yes. It is much more than aesthetic though.

Mr. Riddell: I agree. Are you also concerned about the preservation of agricultural land?

Hon. Mr. Norton: Yes, although it is not necessarily expressly part of the mandate of this ministry to preserve agricultural land. It is certainly something of which I am supportive and I think it is fair to say the ministry is as well.

Mr. Riddell: Were any of your personnel in attendance at the hearings in connection with the power corridor planned from Douglas Point which will eventually be hooked on to Nanticoke so you can export the power to GPU? We are not being fooled in this regard. We know the reason they want to get that power out of Douglas Point. We know they are going to hook up with Nanticoke and then it will go across to the United States.

Did you have anyone at those hearings or did you make a presentation at those hearings?

Hon. Mr. Norton: Our legal counsel was present. We were represented at those hearings. Actually, that would be more appropriate under the next vote, at which time we will have the staff here to respond specifically to what role they played.

Mr. Riddell: I want to come back to that. For once the Ministry of Agriculture and Food sent its high profile guy, Duncan Allan, and he made a very strong pitch that they were not in favour of the M1 route which was going right across the good agricultural land of Huron county and Middlesex down into the London area. I am just wondering if there is any co-ordination or co-operation between the ministries whereby

ou people also said to Hydro, "There is no damn way that line should be going across this good agricultural land." We will get to that then later.

Hon. Mr. Norton: I would also like to point out that it is not the specific role of the ministry at this stage to take that kind of stance and say, "There is no damn way this is going to happen." That flies in the face of the whole process. That is what the hearings are for, to explore the alternatives and question the proponents on the proposal, the assessment they have prepared, and the alternatives they have examined and to try to come to some sense of what the best route might be.

Because of the fact that they went into that hearing, as I understand it, without a single best route—

Mr. Riddell: Who went into the hearings without a best route?

Hon. Mr. Norton: Hydro. I think they went in with five, did they not?

Mr. Riddell: There were five alternatives, but they had pretty well made their mind up that M1 as the route they were going to follow.

Hon. Mr. Norton: Again, it may be better to wait, but my understanding was that they had—oh, they did have one, did they? Originally I thought their intention was to try to go in with all options open, but you may be correct.

10:40 a.m.

Mr. Riddell: What I want to try to ascertain is how much power Ontario Hydro really has over our people? Duncan Allan made a real good pitch, and I give him credit. He also said we are quite prepared to work with Ontario Hydro regardless of the route they select. He made a good pitch but he kind of soft-pedalled. I want to know how much power Hydro has over the ministries of this government. I happen to think it is a Goliath of a corporation that is out of control.

Hon. Mr. Norton: It has very little influence in relation to the ministries. You are right that there is a fair amount of interaction between our Ministry and Agriculture and Food. For example, one of the things that concerns me at the moment is the fact that it would now appear that the largest single source of degradation of some of the Great Lakes, particularly Erie, is agricultural runoff, which is a product of the problems relating to appropriate farm drainage and so on. That is a very sensitive area to get into. I am not taking the position that I am opposed to farm

drainage, but I do think that it is a scenario my ministry, the Ontario Federation of Agriculture and the Ministry of Agriculture and Food have to address.

Mr. Riddell: We will get into that too because your people back away when it comes to taking a part in, say, manure storage pits, where there is—

Hon. Mr. Norton: We back away from that?

Mr. Riddell: You are darned right you do. You stay right out of it. When it comes to township bylaws and requiring that cement tops be put on manure pits and things like this you people do not want to get involved. Maybe there is a reason for it and we will find out. The Ministry of Agriculture and Food does not want to get involved either.

Mr. Chairman: I do not know whether you have the pamphlets on these pits or not, but I think we are straying.

Hon. Mr. Norton: I think he was advocating that I got right into the manure pits.

Mr. Elston: Perhaps the minister would get into the swim of this.

Mr. Chairman: There is no use pushing for more pamphlets on this.

Is there anything else on item 6?

Item 6 agreed to.

On item 7, analysis and planning:

Mr. Elston: I have one comment on item 7 dealing with the minister's indication concerning the polluter pays principle. He stated the ministry was a believer in that principle, but he also recognized the burdens of pollution control cost.

The 1976 report, *Alternative Policies for Pollution Abatement: The Ontario Pulp and Paper Industry*, was done by two people at the ministry. It talks about making the polluter pay and using a mechanism called pollution control delayed penalty. It is now 1982 and nothing has been done on the recommendations of this polluter pays principle report. Why have the recommendations of this report done nothing but collect dust? When will they be implemented? Can you fill us in as to when the Premier's promise that the polluter will finally pay in Ontario, the one he made in 1971 when he took after Dow Chemical, will finally come to fruition through your policies?

Hon. Mr. Norton: Let me just preface a more complete response to that by saying that that principle, by and large, is already applied and adhered to in this province. Perhaps I could call

on André Castel, who is the executive director of that branch, to address you because I do not know the details of that specific report.

Mr. Castel: One of the authors of the report on the pulp and paper industry, done five years ago, is Dr. Donnan, who is here. However, I would like to mention that we are conducting a study on economic incentive policies and we are looking at the various policies that can be used over and above the regulatory instruments that are in existence today. These policies are not very easy to implement. We have investigated other jurisdictions where they have implemented some kind of reduced economic incentives rather than gone the full way, particularly in France and in the United States. At the present time, we are engaging some consultants to look at the whole range of economic incentives and see if they can be applied in Ontario.

Mr. Elston: So you have no idea when this program is going to be finally committed? You do not have a concept involved here?

Mr. Castel: We have a concept because there are a lot of studies that have already been done on economic incentives, and there are some jurisdictions that have tried to implement economic incentives. So the concepts are there. What we want to find out is how they can be successfully implemented in Ontario. Perhaps it may require changes in legislation, and this is what we are trying to find out.

Mr. Elston: In that process have you been going to the private corporations and asking them how they can best be assisted in the implementation of these programs?

Mr. Castel: The economic incentives do not necessarily imply assistance to corporations. In fact, it may be just the opposite. We may, for example, have affluent corporations where we would say, "Over and above a certain level that is in a control order, it will cost you so much money."

Mr. Elston: They cannot get their licence?

Mr. Castel: We can do that. These funds can go, for example, into an environmental fund that can be used for other purposes to clean up the environment. That is just one option, but there are many others.

Hon. Mr. Norton: Some countries have tried that approach with varying degrees of success.

Mr. Elston: But you are still really not getting to the root of it if you are going to issue a licence for them to basically go above their order levels.

Hon. Mr. Norton: Don't jump on that. It is just one of a number of options. It is certainly not one which is, in my mind, a favourite.

Mr. Elston: You have conducted 42 prosecutions, and the average fine for those was \$1,800 and some cents. We picked this up from the Order Paper question. In 1981-82 the average was about \$1,673. It does not look as if it really costs that much to be convicted of an offence that is your average fine. It looks as if it is a negligible cost for somebody who is flying in the face of legislation or orders or whatever.

Are there some steps being taken now by your ministry to upgrade the size of the fines that will be levied against people who are prosecuted successfully for polluting?

Hon. Mr. Norton: I think you have to bear in mind that, if you are talking about average fine, it is a very wide range of incidents and accusations.

Mr. Elston: You have some cases. Abitibi and Kimberly-Clark are obviously included in that.

Hon. Mr. Norton: Yes. So may be J. Riddell's nextdoor neighbour, who has a manure spill from his tank that gets into a waterway.

Mr. Riddell: I want to ask a question here.

Hon. Mr. Norton: There is that whole range. For example, during the period from April 1981 to March 31, 1982, there were 40 cases in which charges were laid under the Environmental Protection Act.

They broke down in this way: There were 19 in which there were convictions. One was dismissed, and 19 have not yet been concluded. The highest fine in that case was \$4,500 against Maple Lodge Farms. Stein-Hall Ltd. had one \$4,500, plus \$3,500 under the Water Resources Act. Those are fairly substantial fines. We do not fix the fines, as I am sure you are aware. It is up to the court.

Under the Water Resources Act, in the same time frame there were 12 cases in which charges were laid. There were seven convictions, and there are five not yet concluded. In that case the highest fine was against Kimberly-Clark, which was fined \$8,500.

Under the Pesticides Act, in the same time frame, there were seven cases: four convictions, one withdrawn and two not yet concluded. The highest fine was \$1,500.

Mr. Elston: In the long run, even if you have a maximum fine is \$1,500, that sum does not allow you to control a very basic problem. That is really what I am saying. You can bear the cost of a \$1,500 fine many times over before you finally

get the message. Is there is any movement in the ministry towards commenting or dealing with the legislation to suggest that the lower and upper levels of the fines which are laid out by legislation—obviously the judge has the discretion, but the legislation does set the levels—be increased, the minimums and maximums?

1:50 a.m.

Hon. Mr. Norton: I do not think we have minimums in all cases. We have imposed minimums in some cases in the legislation. I think that was almost precedent-setting. Given the fact that there have been cases where the fines have not reflected the seriousness of the situation, I would personally favour more instances where we would establish a minimum and a maximum in most of those areas.

Mr. Elston: Are you doing that now? That was my question. Are you in the process of doing that now?

Hon. Mr. Norton: There are no amendments before the House at the moment, if that is what you mean.

Mr. Elston: I was looking at the policy stage. All you are saying is that you are in favour of it.

Hon. Mr. Norton: There are no amendments drafted, if that is what you are asking.

Mr. Elston: Will there be anything on that very shortly since you are in favour of it?

Hon. Mr. Norton: There has been movement in some areas which I think you can regard as a precedent. There were the amendments last fall, where we imposed the minimum as well as the maximum fines. I think you would be safe in regarding that as a precedent in terms of policy.

Mr. Elston: But there are none contemplated at this point for any other areas?

Hon. Mr. Norton: What do you mean by contemplated? There are various stages of contemplation.

Mr. Elston: What I am saying is that we have a minister who is in favour of it. Are you going to move on it?

Hon. Mr. Norton: It is my intention to, yes. The next question is going to be when. I would not hold my breath if I were you, but we might be able to get some amendments in the House in the fall, depending on the legislative schedule.

Mr. Chairman: Anything else on item 7?

Item 7 agreed to.

On item 8, legal services:

Mr. Riddell: I wonder if you can tell me the present status of the Russell case in Stephen

township. I believe the Ministry of the Environment charged the person with dumping liquid manure into the creek, which caused considerable environmental damage, according to many of the property owners along that creek.

Hon. Mr. Norton: I cannot offhand, but I think someone is checking to see where the director of legal services is and whether he has that information with him at this point.

I think you can understand that aside from being advised of prosecutions and expressing at a policy level my position with respect to how vociferously they ought to be pursued in general terms, not on a case by case basis, as the minister I do not get directly involved in the prosecutions. That is something I think you would appreciate.

Has Neil Mulvaney disappeared?

Mr. Riddell: The property owners who come in as witnesses feel it is a real kangaroo court.

Hon. Mr. Norton: It is not a court we conduct, for God's sake. They go before the provincial criminal court. You are being critical not of me or the ministry but of the courts. You should speak to the Attorney General.

Mr. Riddell: What kind of defence does the ministry give these people? They are stifled in what they can say.

Hon. Mr. Norton: It is not our job to defend them.

Mr. Riddell: It is not the first time this has happened. Surely to goodness if you people are prosecuting somebody for dumping liquid manure and you have property owners coming in to bear testimony to that fact, you are not going to leave them hanging high and dry.

The point I am trying to make is that when they come in and try to say it is not the first time it has happened, it happened last year or a year ago, they have been told, "We do not care how many times it has happened in the past." They tell me they are actually being stifled as to what they can say to give true evidence about that manure into the creek.

Hon. Mr. Norton: By whom are they being stifled?

Mr. Riddell: Whoever is defending the chap who was prosecuted.

Hon. Mr. Norton: That is not us.

Mr. Riddell: If the Ministry of the Environment was called in, I am sure you people are the ones who laid the charges.

Hon. Mr. Norton: Sure and we may be handling the prosecution. I do not know why you are going after us for stifling people who may be subjected to cross-examination by the defence counsel.

Mr. Riddell: What kind of legal people do you have there to make sure all the evidence is submitted?

Hon. Mr. Norton: Very good people are supplied.

Mr. Riddell: There is no question the property owners know what has gone on. They are prepared to tell the court what has gone on, but they are not allowed to.

Hon. Mr. Norton: I think you would be very impressed if you looked at the success rate in terms of convictions. Perhaps Neil Mulvaney, director of the legal services branch, has the information you requested.

Mr. Elston: There is also a hesitancy to process charges unless there is some pretty firm material.

Mr. Mulvaney: The Russell case went before the court with three charges under the Ontario Water Resources Act on May 21. The trial is partially completed on two of those charges and is adjourned to complete the evidence. There is a date yet to be set with respect to the third charge, so the case is in process.

Mr. Riddell: What are the three charges?

Mr. Mulvaney: They are under subsections 16(1), 16(3) and 16(4) of the Ontario Water Resources Act, which are basically on discharging material which would impair the quality of the water.

Mr. Riddell: I just thought I would air the comments the property owners have conveyed to me. They have the evidence but for some reason they are not permitted to give it. When they talked about this happening the year before, when the fish went belly-up in the creek, and what not, they were cut right off and not allowed to refer to it.

Mr. Mulvaney: Yes. Sometimes we have rulings in the provincial courts where the judge does not permit us to bring in similar fact evidence, which is evidence of another occasion than that dealt with in the trial.

Normally, if we can argue the evidence is relevant, we attempt to get it in. We have had a few recent rulings where the judges have said, "No, I am here to hear about the specific case relating to the charges and not similar fact days." We constantly try to get that evidence in,

and we normally appeal when we do not get it in, but we continue to get rulings against us on that point.

Hon. Mr. Norton: The other thing, Jack, might be that in some instances people know the judge might rule it is not admissible during the course of the trial. If there is sound, reliable evidence of previous incidents, especially if they have led to earlier convictions, it might be quite relevant at the time of sentencing as opposed to the time of determination of guilt or no known guilt.

Mr. Riddell: Then let me ask this. Were you people called out on similar incidents prior to this one?

Hon. Mr. Norton: Do you mean with that particular individual?

Mr. Riddell: With that particular individual, right.

Hon. Mr. Norton: With the trial still in progress, I am not sure that is an appropriate question for Mr. Mulvaney to answer. I should not be giving him legal advice because he is our legal adviser, but that may be something which could be prejudicial to the trial now under way.

Mr. Riddell: If they were advised of a similar thing happening a year or two before, I do not know why it could not be submitted as evidence in the court. These farmers are just beside themselves to know why in the hell they cannot tell what has been going on.

Hon. Mr. Norton: The law of evidence is very complex. Many lawyers who have studied it for several years still find it mystifying at times. Maybe Mr. Mulvaney will comment on that.

Mr. Mulvaney: We had a similar ruling in the Algoma Steel case yesterday. A judge refused to take into account evidence of similar situations to that which was placed before the courts. That gives us considerable difficulty. We have appealed in several other cases.

I can only say that getting in evidence of some similar violation which happened in the past is a central problem we confront in several prosecutions. We have invariably tried to get that evidence in.

Mr. Riddell: Thank you.

Mr. Chairman: Perhaps we can send the minutes of this meeting to the Attorney General (Mr. McMurtry).

Hon. Mr. Norton: Or the chief judge.

Mr. Ruston: Would this be legal services you have in your own staff and also legal services

you have under contract for projects, and things like that?

Hon. Mr. Norton: No, this would be our own staff.

Mr. Mulvaney: It is our own staff.

Hon. Mr. Norton: Do you mean legal services or projects? I am not sure what—

2 noon

Mr. Ruston: If you were doing jobs outside, you may hire legal people in the area to do the work?

Hon. Mr. Norton: We would rarely do that, for example, the signing of agreements and contracts would normally be dealt with within our ministry as opposed to retaining a lawyer in community to handle that for us.

Mr. Ruston: Since it was the previous minister, Dr. Parrott, who sent my famous township a letter saying a grant was approved in the amount of 72 per cent, \$969,000, why would you not approach the municipality? I have a copy of a letter sent to the municipality on April 15 by Mr. Mulvaney.

You told me one day by note in the House that you did not want to get involved in this any more because you had read in the paper or heard the township was considering a legal case. In frustration, one or two councillors of the township had said, "We will have to sue them or something." That is always a favourite thing to say, especially when you live near the American border because everybody sues everybody in the United States for whatever they want. Of course you don't always do it.

I do not think they ever really had any intention of going to court to try and get something from the province. It would practically bankrupt a township of 4,000 people to go through all the legal technicalities, courts and appeals that might go on. Whether they can even sue the crown is another matter.

Somebody threw up a straw here, or threw up something to break things down so no communication was then made between you and the municipality. I must say the reeve, who is a fine young farmer, principal of a school and a very progressive sort of fellow in more ways than one—I mean progressive with a "C"—

Mr. Riddell: Surely not, with all those virtues.

Mr. Ruston: —could not understand why you could not have the courtesy to let them come down and visit you. I know you said you were advised by your legal people not to because of the possibility of legal action against the prov-

ince. I must admit I am not a great enthusiast for some of the legal technicalities we run into and Mr. Riddell just mentioned some of the things he has had.

I have had occasion myself to sue the Canadian Broadcasting Corp. I found out that as a taxpayer I was paying for the other lawyer. I was really just fighting against myself so I said: "We might as well give up. It is not worth it." Although I was successful to some extent, I was—

Mr. Riddell: It is called the just society.

Mr. Ruston: I have a summary of the minutes of a meeting between Mr. Mulvaney, director of legal services, and Mr. Jeff Hyman of the finance division, Mr. Olson, Mrs. Myers, the deputy reeve and the reeve, Mr. Perdu, and Mr. Bondy, their lawyer. There are some statements in here that they cannot find, they have not been told, and they do not know where, when or how there was ever an error made. To this date, you have not, neither has anyone in your ministry, told the township or showed them in any of their applications that there was an error.

They have also checked with two other townships that had these grants in the Frontenac-Addington area, Kingston township and Pittsburgh township. The application forms were identical: the supplying of the water to a built-up area where there were 100 homes or more as in St. Joachim was very similar in Pittsburgh township.

It is just too bad that it got to the point where it seems to be only in the hands of the lawyers and your legal branch. Our municipalities, and the small municipality I live in, are never going to be able to pay the expenses of going to court on this even if they had the right to sue the crown because the water area they are serving is only going to serve 500 or 1,000 people, which is not the whole township.

They would have a very difficult time charging the whole cost to the township. I am sure there would be a small revolution if they did.

For the life of me, I cannot see why you did not meet with them and if there was a problem, show them where their mistake was. I am sure they are all well-educated people on the council. If you could show them this, they would say, "I guess there was a mistake." Up to this date, they have all these letters.

I talked to Mr. Morand, the Ombudsman, on the telephone yesterday. I sent this information to him by personal delivery last Friday. He said, "Quite frankly, I have been in law for 30 years and I have never heard of a thing like this." He

has checked with two of his staff and they have never heard of anything like this before.

Hon. Mr. Norton: They have never heard of anybody making an error before?

Mr. Ruston: Sure, people make errors, but they are shown where the error was and it is not after a minister signs an order that the grant has been approved.

Hon. Mr. Norton: An order?

Mr. Ruston: Well, a letter. It is the same difference. All the documents are here, the certificates of approval.

Hon. Mr. Norton: First of all, I think it is important to bear in mind that no one has ever suggested, at least to the best of my knowledge, that the municipality made an error. The error was clearly made within the ministry, probably some 18 months ago or more, in the calculation of the grant for which the municipality was eligible.

The simplest way to express it, as I understand it, is that the individuals doing the calculation did it on the basis of the community being served being an urban community in terms of the distribution of the residences, as opposed to taking into consideration the fact that in this instance there were significant distances being covered by the mains that were not serving residences directly.

Because of that error, there was a very major difference in what the calculations turned out to be.

You can be critical of me for not meeting with the municipality and you may be right. It was my view, especially since it was a matter in which a large amount of money was involved, almost \$1 million, that there was at least some possibility of it ending up in litigation.

Any minister of the crown has to be careful not to be seen to be trying to make deals to avoid litigation. If people do have a cause for action, then they ought to be uninhibited in their efforts to pursue it.

One has to be careful about going into meetings. I do not know the reeve, but I suppose that if I had gone into a meeting and there had been some kind of settlement—especially since you suggest to me that he is very progressive with a small “c” or a large “C”—it might have given rise to some very serious allegations as to how any settlement was arrived at.

That is why I felt it was best that it be handled objectively and at some arm's length, as between the head of our legal services branch and representatives for the municipality, not because

I knew anything about the individual's background.

12:10 p.m.

Surely, Dick, you have to recognize that in a situation like that one has to be very cautious to avoid any appearance of impropriety or putting oneself in a position where one might even be subjected to that kind of suspicion.

Mr. Ruston: Well, two things. If it was 18 months ago that the error was made, how could your people sign an order of approval on April 21, 1981? That is only 12 months ago. You mean they didn't know? How about Mr. McMullen?

Hon. Mr. Norton: No one knew until at least January or later this year that an error had been made.

Mr. Ruston: Even then, one of your staff, people in the Windsor area by the name of Mr. McMullen went to the township of Tilbury North which joins the township of Rochester. They wanted to have a connection between the two townships for a kind of safety valve, when you can have the lines connected.

He suggested to Tilbury North that they go to Rochester in March of this year to see if they could extend their line a few hundred feet or whatever it was to join up with Tilbury North so they would have a connecting link and get the benefits of the 72 per cent—distinctly said, the 72 per cent—that Rochester was getting. That was March of this year.

Hon. Mr. Norton: That's quite possible. There were a lot of people who relied upon the error. I am not trying to hide anything about that. There was an error and everybody relied upon it including my predecessor.

Mr. Ruston: The other thing that the reeve said was, “I wondered if it was because you are in the opposition and it is a way for them to get out, if they haven't the money.”

Hon. Mr. Norton: Absolutely not. It has nothing to do with it.

Mr. Ruston: He feels very strongly that that is the problem.

Hon. Mr. Norton: I can assure you, Dick, that when the matter was initially brought to my attention, I did not know whose riding it was in but I recognized that if it was an error of that magnitude, it was not something that someone could pretend did not occur.

Mr. Ruston: All I am asking you is, if that is the case, that you meet with the municipal council and show them where the error was made, in front of their lawyer. For God's sake

don't be afraid to show them where the error was made.

Hon. Mr. Norton: No one is trying to hide the fact that there was an error made. That is one of the things that we have been forced to admit from the very beginning.

Mr. Ruston: You never told them. You never showed them where it was. They don't know.

Hon. Mr. Norton: I do not know specifically what was discussed at the meeting. Obviously I was not present.

Mr. Ruston: I have the minutes right here and you claim you did not know. "When was the error first discovered?" "Mr. Mulvaney: Don't know."

Mr. Mulvaney: That information was provided to the solicitor for the municipality a few days after that. The date was mid-February, or something of that nature, and I provided that information to him by phone. He had that within a few days of their meeting.

The error occurred as the minister indicated. It was simply a failure on the part of the person doing the calculation to take into account a calculation which would have worked so to the extent that the average lot exceeded 30 metres the grant proportionately decreases. That calculation was not done at all.

We felt that they had been informed as to the manner in which the error occurred. What we did not have at that time was the date on which they had been informed, and I provided that to them by phone. As I say, I cannot recall it right now, but I think it was mid-February.

Mr. Ruston: At the meeting of April 22, there was the schedule you are talking about. The new calculation takes 100,000 feet of waterline, multiplies it by two, for both sides of the street, making 200,000 feet, then divides that by 100-foot lot widths, giving 2,000 potential connections. These are multiplied by \$700, the base ministry figure used to calculate the municipal share of the project; the cost is \$1.4 million.

The estimated cost this calculation produces means no grant, but the original calculation used was this one: 1,300 estimated population with three persons estimated per household, giving 450 potential connections times \$700, the ministry base figure. Thus the municipal share of the cost is \$300,000, with the total cost

estimated at \$1.3 million, giving a grant of approximately \$1 million. The actual grant was \$969,000.

Those are the figures it was based on, and no other municipality used any other base that got grants in this list supplied to me by your ministry.

Hon. Mr. Norton: I am sorry. What was that again?

Mr. Ruston: No other municipality that we have talked to that got grants of 60 to 75 per cent used the figure of 100 feet on any of their applications.

Hon. Mr. Norton: Were they municipalities in which it would apply? Some of the municipalities you have mentioned are really highly urbanized municipalities.

For example, you mentioned Kingston township. I am sure that was for my benefit, but the southern part of Kingston township happens to be an urbanized area with a population of about 26,000. That is quite a different situation from the one you are trying to apply their experience to.

Mr. Ruston: Mr. McEwen mentioned there was one that had to go out so many miles where there were 200 homes on a community well, wherever that is. He said that is what it is based on.

In our area, the village of St. Joachim's water pressure runs 10 to 15 pounds and will not even go up to the second floor. That is where we are putting in this main to get the water. It sure sounds similar to me.

I will not go on any more, Mr. Minister. I think some of the members have to do some energy programs today.

Mr. Chairman: There was some suggestion you would like to adjourn a few minutes early to participate in the activities. Do you wish to carry 2101 before we do that?

Item 8 agreed to.

Vote 2101 agreed to.

Mr. Chairman: It was agreed that, with the extra time last night and a couple of minutes we can sneak in the next couple of meetings, we can make this time up.

The committee adjourned at 12:20 p.m.

CONTENTS

Wednesday, June 2, 1982

Ministry administration program:	R-206
Main office.	R-206
Information services.	R-207
Analysis and planning.	R-213
Legal services.	R-215
Adjournment.	R-219

SPEAKERS IN THIS ISSUE

- Charlton, B. A. (Hamilton Mountain NDP)
- Elston, M. J. (Huron-Bruce L)
- Harris, M. D.; Chairman (Nipissing PC)
- Laughren, F. (Nickel Belt NDP)
- Miller, G. I. (Haldimand-Norfolk L)
- Norton, Hon. K. C.; Minister of the Environment (Kingston and the Islands PC)
- Riddell, J. K. (Huron-Middlesex L)
- Ruston, R. F. (Essex North L)
- Wildman, B. (Algoma NDP)
- Williams, J. (Oriole PC)

From the Ministry of Environment:

- Castel, A., Director, Program Planning and Evaluation Branch
- Mulvaney, J. N., Director, Legal Services Branch



Ontario LEGISLATIVE ASSEMBLY

No. R-9

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Resources Development
Estimates, Ministry of the Environment



Second Session, Thirty-Second Parliament
Thursday, June 3, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.



LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Thursday, June 3, 1982

The committee met at 8:08 p.m. in room 228.

ESTIMATES, MINISTRY OF THE ENVIRONMENT (continued)

Mr. Chairman: I call the meeting to order.

On vote 2102, environmental assessment and planning program; item 1, program administration:

Mr. Charlton: I am not 100 per cent positive that this is the right vote to raise this matter under, but I notice in the background under vote 2101 that the program administration activity here also deals with all intergovernmental matters concerning the ministry. I am making the assumption that this is the appropriate place because it deals with a federal matter.

It is about a study that was let by the federal Ministry of the Environment and is being done by Dillon Consulting Engineers and Planners. I am not sure if you are aware of this study, but you will recall two or three years ago that the ministry did a study, project, or whatever you want to call it, identifying waste disposal sites, dump sites, in the province.

If my recollection serves me correctly, there were about 700 identified as sites that had been used at one time or another as disposal sites. My understanding is that study did not include any sites that had been used by the federal government and/or its ministries and agencies. This study, which has been commissioned by the federal ministry, is looking into a number of sites that fall into that category. I will read briefly from the opening part of the terms of reference of this study.

"Environmental safety problems have arisen because of activities on, in and around land disposal sites. These problems will continue to arise until proper and adequate safeguards are provided at the time of design and during operational period. It is important that as many closed and abandoned land disposal sites as possible are located and identified.

"A record of land disposal sites would be advantageous to provide the federal, provincial and territorial governments with an information base regarding the nature and location of waste

materials disposed of on land within their jurisdiction. The long-term program for site identification and investigation will consist of three major phases."

It then goes into a fairly lengthy setting out of terms of reference for the study. Basically, they estimated roughly 170 sites in addition to the ones that were identified in your study. I wonder if the ministry has any knowledge of these at all. There are some that are of particular interest in the 170, and there may be more, I suppose, because they are not sure from what they are saying here. There are 20 of them that were dump sites used by the Department of National Defence and two that were dump sites used by Atomic Energy of Canada Ltd.

It would appear, from the way the terms of reference of this study are set out, that the study is being done as a result of some problems. I wonder if the minister is aware of this study, what these sites are, where they are and potentially what kinds of things are in them and what kinds of problems may have caused this study to have been undertaken at this point.

Hon. Mr. Norton: Mr. Chairman, I personally am not familiar with the specifics of that study, although it is my understanding that it is directed to waste sites that are under federal control or were federal waste sites, including, I believe, sites for positive waste on places like Indian reservations and so on.

Mr. Charlton: I think 100 sites were attributed to the Department of Indian Affairs and Northern Development.

Hon. Mr. Norton: The person who would be most familiar in the Ministry of the Environment with that study would be Mr. Macfarlane, who is the head of the waste management branch. He will be here under vote 2104. Perhaps you would like to raise that again when he is here.

Mr. Charlton: I would be happy to.

Mr. Chairman: He has just arrived.

Hon. Mr. Norton: Oh, he is here. I did not spot him. Would you like to come forward, please?

Mr. Charlton: Can I ask it now?

Hon. Mr. Norton: I think properly it comes under 2104. It is up to the committee.

Mr. Chairman: We are going to be under severe time restraints.

Mr. Charlton: I do not think it is going to make much difference when we deal with it. If we are going to deal with it, it is going to take the same amount of time whether we deal with it now or later when we raise it again.

Hon. Mr. Norton: For Hansard, this is Mr. Colin Macfarlane, who is the director of the waste management branch of the ministry.

Mr. Charlton: That depends on what they know.

Hon. Mr. Norton: Are you familiar with this study?

Mr. Macfarlane: I am familiar with the study being undertaken by the federal government, which supplements the one undertaken by the provincial government. It identifies a number of sites which have been subsequently abandoned by the federal government. As far as I understand, the matter is merely in the planning stage and no work has been done of any substance as yet at the federal sites.

Mr. Charlton: You are right. The consultant is just starting the work, but they must have some knowledge of what these sites are used for in the ones they have already identified and also associated with specific ministries and/or agencies. They know they were there and they know whom they were used by. There must be some knowledge of what those sites were used to dispose of.

The specific ones I was concerned about were 20 sites supposedly used by the Department of National Defence and two sites used by Atomic Energy of Canada Ltd. I am just trying to find out if there is any knowledge of what those sites were used for and where they are and what kinds of problems have arisen. The terms of reference seem to be suggesting there have been some problems but they do not go into specifics.

Mr. Macfarlane: We are not aware of any detailed description of materials that have gone into these sites. I know of no specific problems at any one of them. Would it be proper to try to find out and give you an account?

Hon. Mr. Norton: Okay. Vote 2104 will presumably be Tuesday night.

Mr. Charlton: That is fine.

Hon. Mr. Norton: I might just point out this is an area in which Ontario, and specifically the

Ministry of the Environment, has led the way in Canada in terms of identification. It has attempted to identify closed sites through a variety of methods, including going into communities and interviewing elderly people, to see if they recall any sites in the area and using aerial photography and infrared photography from the air to determine the locations of sites.

Last year, after we had done very extensive work in this area, the federal government announced it was going to provide a subsidy to provinces to assist in the cost. I made a special appeal to the federal government to consider making that retroactive. Unfortunately, they were willing to follow our lead but not to pay the cost.

Mr. Charlton: The only thing they ever make retroactive is taxes.

I will wait and we will go over this again when the information comes, hopefully on Tuesday.

Mr. Chairman: Anything else under item 1? Do you have anything, Mr. Elston?

Mr. Elston: No, I do not.

Mr. Chairman: I know that once I get to Mr. Laughren time will move along. I was not going to forget him under the item. I want him to know that. Have you any 1975 reports under the committee of this one?

Mr. Laughren: No. I must say, before I make my comments or ask my questions, that I am impressed by the number of journalists covering the hearings tonight. It is a very impressive turnout by the working press of Ontario. It is very good. All those people in the room are from the various media across the province.

The other night I was thinking that I really must ask the minister about environmental assessment, but I was not absolutely committed to doing it. I thought I would see how things work out. I was not firmly committed to doing it in my own mind. Then this afternoon in the Legislature during question period I asked the Premier (Mr. Davis) a question about environmental assessment which would certainly have to do with the administration. I asked the Premier about his own advisory committee on environmental assessment exemptions, and suddenly any doubts I had about pursuing it were swept away as he replied he did not know what I was talking about, that his memory needed refreshing.

As I was asking him that question, the Minister of the Environment was leaning over, virtually prostrate, to inform the Premier what it was that I was asking him, even though it was the

Premier's own advisory committee. When I look back to the passion with which the Premier committed himself to the advisory committee less than a year ago, I think how passing are commitments in the Premier's office.

The Premier stated way back in July: "I have asked the Minister of the Environment, the Honourable Keith Norton"—honourable stretched out and then put back in again—"to advise me on the establishment of the advisory committee and to provide you with a more detailed response of other matters set out in your brief." This was made to Dr. Timms of the Conservation Council of Ontario.

There is no question the Minister of the Environment is involved, as he should be, in the advisory committee being set up to advise the Premier's office and the Premier himself on exemptions to the Environmental Assessment Act. I do believe I understand the role of the one-day-to-be-appointed advisory committee on environmental assessment exemptions.

When the Premier established the committee—I hope the minister will correct me if I am wrong here—he said several things. I am quoting from the Premier, so the minister might want to correct me. He stated: "In recognition of the need for procedures to allow for public input before a government decision has been made, the function of the committee will be to review exemption requests and advise the Premier on screening decisions for exemptions or designations prior to decisions being made under the act."

I do not expect the minister to be on top of absolutely everything in the province, but I do expect him to be on top of this one. Is it clear that it will still be the function of the advisory committee as he understands it? Since the Premier said the minister was forwarding the terms of reference to him, to which he would respond, which is fair, is that clearly the minister's understanding as well? Are those the terms reference?

Hon. Mr. Norton: Would you repeat the specific wording?

Mr. Laughren: I think I should and that you should understand it clearly.

"In recognition of the need for procedures to allow for public input before a government decision has been made, the function of the committee will be to review exemption requests and advise the Premier on screening decisions for exemption or designations prior to the decisions being made under the act."

Hon. Mr. Norton: That is my understanding.

Mr. Laughren: I was worried, quite frankly, when I was picturing this committee being set up, that what might happen to it would be that the committee would only have forwarded to it something for advice after the cabinet or the minister had made a decision. Even worse, the cabinet, the minister or the Premier would send to the committee only those things which they deemed to be appropriate for the committee to consider.

I am very pleased that you have laid my fears to rest this evening in that regard.

8:20 p.m.

Hon. Mr. Norton: I think it is fair to assume that there may be certain matters so obvious and routine as to not require a full procedure of that nature. For that reason, I think it is important that you not place on it the interpretation that every individual request would necessarily go through that full procedure.

It is clearly the intention that requests go to the committee before cabinet makes a decision, especially in those situations that are contentious in nature or where there is any potential for concern.

Mr. Laughren: I am reassured by your words.

Hon. Mr. Norton: I think the Premier's response in the House today to the first part of the question was probably more influenced by the way in which the question was articulated than by the knowledge of the Premier.

Mr. Laughren: It is my fault that he did not remember it.

Hon. Mr. Norton: When you saw me lying prostrate, as you said, I was simply interpreting your question more clearly.

Mr. Laughren: All I asked him was, "When are you going to appoint the advisory committee you promised to appoint almost a year ago?" If that was not very clear, I do not know what is.

Hon. Mr. Norton: You had better check Hansard. That is not quite what you said.

Mr. Laughren: I did; I have the Instant Hansard.

Hon. Mr. Norton: When I interpreted the question more articulately, he immediately recalled the fact that the terms of reference and recommendations for alternative structures for the committee were presently in his office and were to be brought before him for consideration. I think he said it would be within a matter of a few days.

Mr. Laughren: In my role within my caucus—

Hon. Mr. Norton: Would you like to define that? A number of us have been wondering about that. I noticed that your colleague in particular perked up when you said that.

Mr. Laughren: Emotions do not come easily to me either.

In my role as critic for Natural Resources, I followed the Minister of Natural Resources (Mr. Pope) very carefully and the attitude he displays towards the Ministry of the Environment, environmental assessment and that whole process under which the minister is anarchistically transforming the land mass of Ontario into a planned land mass.

I am interested in knowing what thoughts went through the minister's head, if he can recall them without lying prostrate to do so.

Hon. Mr. Norton: It sometimes helps.

Interjection.

Hon. Mr. Norton: Under, not over.

Mr. Laughren: I am wondering whether the minister could tell me what transpired between the Ministry of Natural Resources, one of your biggest fans—

Hon. Mr. Norton: Assuming the minister is. I do not know all the people in the ministry, but the minister is certainly very supportive.

Mr. Laughren: I would not make that kind of blanket statement either.

I would like the minister to explain to us how the Minister of Natural Resources got the right to have an exemption for forest management agreements and forestry projects without a deadline or a requirement of submissions as to how that ministry is going to live with the Environmental Assessment Act. How did that happen? Correct me if I am wrong because I am not an expert in this field. You have to be careful when people say that. I thought the minister had to explain within a certain date how he or his ministry would live with the Environmental Assessment Act until things were sorted out more completely. I believe that is not now the case. Before, there was a date under which he had to submit his reasons; now there is no date. Is that correct or not?

Hon. Mr. Norton: I am not sure what you are trying to say. You mentioned that previously there was a date by which he had to submit his reasons for a forest management agreement.

Mr. Laughren: Correct me if I am wrong on these things because, as I say, I am no expert. I think that up to the end of March 1982 if the minister was to be exempt from the Environ-

mental Assessment Act, he had to give reason or ways under which he would live with the Environmental Assessment Act and he had to make a submission to you by a certain date. I think it was March 31, but I am not certain of that date. He now has an exemption but there is no date by which he is required to do that, to give the explanation. Is that correct?

Hon. Mr. Norton: I think I understand the point you are making now. The intention has been and still is—in fact, the Ministry of Natural Resources is working upon the development of class environmental assessments for forest management purposes—that once they are in place they would require the submission of the kind of information you refer to in terms of how they would comply with the requirements for environmental protection in each case.

The preparation of class assessments varies considerably in complexity depending upon the complexity of the matter. Forest management is probably more complex than some of the matters to be dealt with under class assessments. Therefore, it is taking a longer period of time to complete than might originally have been anticipated. But it is still a matter of active involvement by the Ministry of Natural Resources in close co-operation with the people from our ministry.

Mr. Laughren: Can we go back to the absence of a date under which the minister must provide a submission? Previously there was a date and now there is none. That is disturbingly open ended. Why would you approve of something like that?

Hon. Mr. Norton: I am just checking the specifics here to see if there is a date.

Mr. Laughren: No, there is no date.

Hon. Mr. Norton: The last clause in the exemption to which you are referring indicates that it expires on December 31, 1982.

Mr. Laughren: What expires?

Hon. Mr. Norton: The exemption.

Mr. Laughren: The exemption expires in 1982?

Hon. Mr. Norton: That's right.

Mr. Laughren: I believe there is no requirement for the minister to make a submission and no date by which he must make it.

Hon. Mr. Norton: The last condition in the exemption you are referring to states that the order expires on the earlier date of December 31, 1982, or on the granting of an approval, and that is specifically an approval for the class assessment that is referred to under the act for

the forest management undertaking. Whether you interpret it that way or not, it is clearly intended that by this date they would have submitted their class assessment for processing by the ministry.

Mr. Laughren: So by the end of December 1982, the Minister of Natural Resources must provide you, unless there is some further extension, with a submission explaining how he intends to live within the boundaries of the Environmental Assessment Act, is that correct?
3:30 p.m.

Hon. Mr. Norton: Yes, or failing that, the effect would be that the act would apply and every forest management agreement would have to go through the whole process individually. He qualified it by saying that.

Mr. Charlton: Unless you proceed with another exemption.

Hon. Mr. Norton: Or an extension to this one. For example, if they are nine tenths of the way through the completion of it, it may make sense to extend it for a few months. One has to be practical.

Mr. Charlton: From that comment, do you have any idea how far they are along the process now?

Hon. Mr. Norton: I personally have not been involved in it. They are certainly working on it. Do you know where they are, Mr. Giles?

Mr. Giles: Not precisely at what stage, but I was talking to one of their staff today who said they are certainly working on it.

Mr. Charlton: Is there reasonable cause to assume they could meet the December 31 date?

Hon. Mr. Norton: Yes.

Mr. Laughren: So there is no intention on your part to exempt the Ministry of Natural Resources from complying with the Environmental Assessment Act?

Hon. Mr. Norton: As far as forest management agreements are concerned?

Mr. Laughren: Yes.

Hon. Mr. Norton: No. I only qualified that because there have been some specific categories of exemptions they have received that I presume you are familiar with.

Mr. Laughren: It really bothers me that there is a potential there for exempting the Ministry of Natural Resources. I can understand the pressures from MNR because I suspect they want to get on with the business, as they would put it. They haven't said that to me. I think of the big

hassle that is going on in the northwest right now over Atikaki, over the Black Bay Peninsula, that put out their management unit of Natural Resources. I think of the whole spraying question.

All those things to which the Environmental Assessment Act applies, those questions and those fears will be addressed and if they are not, you are going to have a lot of anguish forever in different parts of Ontario dealing with forestry projects. While I know it is uncomfortable and they don't like it, it seems to me that in the end you are going to reduce conflicts more by doing that than by exempting them. I suspect that there are pressures on you, but I would encourage you to proceed with that because those people in the northwest—your ministry probably hasn't become involved with them at this point—are terribly unhappy with what is going on up there with regard to the Ministry of Natural Resources in some of its forest management agreement intentions.

Hon. Mr. Norton: I am not sure what the specifics are.

Mr. Laughren: That's fine, as long as I have your assurances that your intentions are not to grant any exemptions to let them off the hook.

The other thing is the whole question of specific land-use planning, which is sort of outside the forest management agreements in a funny kind of way. I don't think it should be but it is. There have been some suggestions that land-use planning should be part of the environmental assessment process because it has so much to do with the environment and people in any given area.

If I could be even more specific than that, I don't have the commitment in front of me but my memory, which is admittedly leaky, tells me the Premier promised that West Patricia, that huge area in the far northwest, would undergo its own assessment, its own environmental assessment. That is that whole area where the Reed tract is. The Reed Paper tract was included. It is still there, and people still want to cut those trees.

I want to know whether or not the minister's understanding is the same as mine, that there was a promise to have that area undergo its own environmental assessment. It is a very fragile ecological area because of soil depth, the kind of rocky terrain, the climate, all sorts of things that caused the furore in the first place, when it was said that those trees probably should not be cut because we probably could not grow them again.

I am wondering if the minister has something to say about that whole West Patricia area because I think it is a terribly important part of Ontario.

Hon. Mr. Norton: I do not have a lot to say about the West Patricia area, other than to say that it is under the act. That status has not changed.

The question of strategic land-use planning in the more general sense is something that is presently under close scrutiny by the staff of the ministry to see just how the act might best apply by virtue of the changing nature of it. The West Patricia land-use plan is under the act.

Mr. Laughren: So before anything can be done in that area, it would have to be subject to an environmental assessment. For example, if Great Lakes, which now has the Reed tract, as you know, wanted to have a portion of that former Reed tract of 19,000 square miles, if it was put under a forest management agreement, would that have to be part of the Environmental Assessment Act?

Hon. Mr. Norton: I am not sure specifically how it would apply. Do you have any specifics on how it would work?

Mr. Giles: Not completely.

Hon. Mr. Norton: If, for example, a municipality purchased a Reed tract and it were to be harvested, or they were to move in on that site, would it require under the present provisions that it be subjected to an environmental assessment?

Mr. Giles: Yes, it would.

Mr. Laughren: I did not realize that. So nothing can be done with assigning that to a pulp and paper company, for example, without the environmental assessment.

Mr. Giles: That is right.

Mr. Laughren: That is encouraging because I think that is the way it should be.

Is the question of the strategic land-use planning process under consideration by your ministry now as to whether or not it will be subjected to environmental assessment?

Hon. Mr. Norton: Perhaps Mr. Giles could address that. He said what I have said, that it is under examination to see how the act might best apply to that particular process.

Mr. Laughren: That is different from applying the act to the planning process.

Mr. Giles: The difficulty from our point of view is that the land-use planning process in the Ministry of Natural Resources is an evolving

process and has now reached a stage which is somewhat different in its intent than it was when it started out.

Mr. Laughren: I agree.

Mr. Giles: What we are doing now is examining the present land-use planning practice in relation to the requirements of the act, and we will soon be coming to a conclusion as to how the act applies to that process of land-use planning.

Mr. Laughren: I am sure you know that the land-use planning process is really coming very quickly to a conclusion. They are holding open houses in June, July and August in southern Ontario. Then it is virtually wound down, so the Ministry of the Environment is going to have a say through its environmental assessment process, it had better move pretty quickly.

Mr. Giles: I think the approach with respect to the current activity is that this is the public dialogue part of the land-use planning process that is now in progress. It is not necessarily complete in the sense that it could not still be subjected in the form of a class environmental assessment of the planning process to the act.

Mr. Laughren: At this date?

Mr. Giles: I think so. It is very much an evolutionary, an ongoing practice.

Mr. Laughren: That process is due to grind to a screeching halt on December 31, 1982. It may die with a whimper rather than a bang, but that is when it dies.

Mr. Giles: The decision to be made is, what is the plan, and what is the document that is finally the end result of this process?

Mr. Laughren: I know. However, I am confused here. I think it is terribly important to find out if at the end of 1982 the Ministry of Natural Resources consults this ministry before it says, "This is the law of the land," in terms of the land-use planning process all over Ontario, or if the Ministry of the Environment says: "This is what we have decided now. If you have any objections, let us know."

8:40 p.m.

Mr. Giles: The Ministry of the Environment having decided—what do you mean?

Mr. Laughren: At that point, nothing. If the Ministry of Natural Resources proceeds with its land-use planning process, to wind it all down by the end of December—

Mr. Giles: I should make it clear we will certainly have decided the way in which that

relates to the Environmental Assessment Act long before that. The difficulty is whether the process now in place is a designation of land to use or an identification of the uses land could be put to most efficiently and most effectively. If it is the latter, then it is more a question of background information available to help make those decisions. If it is a designation of the land to a specific use, then it would be something which is subject to it.

Mr. Laughren: I will not prolong it, but it will surely must bother the Minister of the Environment when it sees these huge gobs of land in northern Ontario being lifted out of everybody's jurisdiction and put under what is called a forest management agreement, which determines the use of that land. It affects all sorts of people. It affects people from southern Ontario who go up there for various reasons. It affects tourist operators and it affects local residents. It is an enormously important thing. To the public, it is not as sexy an issue as all sorts of things, but that it going on up there is terribly important. I always thought the Ministry of the Environment should be watching very closely. That is the kind of thing I thought environmental assessment was all about. It is not just acid rain and pollution. Environmental assessment is much more than that. I am uneasy with the way in which the environmental questions are being bypassed by the signing of forest management agreements.

Mr. Giles: I am not intimately familiar with the detail of the areas in which they are being designated and the nature of the land allocated, but my overall understanding is they are looking at lands which have already been in forest production activity in one form or another.

They are dealing with lands which are already committed to the forest production program—

Mr. Laughren: Yes, by and large.

Mr. Giles: —that have been under licence before.

Mr. Laughren: Yes, but they are also making much more formal in that they are determining which other users can use it. They are determining the fate of tourist operators, of canoeists, of hundred of anglers, wilderness buffs, all sorts of people. In my view, that is going to become an increasingly important part of the population. That is part of our environmental balance out there.

Mr. Giles: Right, and the allocation of the land designated for forestry purposes within those areas designated is the subject of the class

EA. The actual allocation of the land to the forest use or the park use or the other use is the subject of the process that involves land-use planning. Once it is allocated to the forest use, it then is the subject of the forest management class EA. The current question is the interrelationship between these two things.

Mr. Laughren: One other matter, while we are on this particular topic, is the question of the promised advisory committee. In the absence of the advisory committee to the Premier, who has been advising the Premier on exemptions?

Hon. Mr. Norton: I have.

Mr. Laughren: Just you alone?

Hon. Mr. Norton: Obviously the Premier takes advice from the whole of the executive council, but principally it has been me.

Mr. Laughren: How did you advise him on Suncor?

Hon. Mr. Norton: On Suncor? That was not part of an environmental assessment.

Mr. Laughren: It should have been.

Mr. Elston: Maybe while we are on that in committee, I might just bring in a couple of questions. I was going to wait until we got to item 6, but it might be better right here.

Mr. Chairman: Do you think we might not get there?

Mr. Elston: Since we are fresh on the topic, it might as well be brought up here.

There were a couple of things the minister had said about the committee. One was that he had written in a letter of July 28 1981 to the Conservation Council of Ontario that the committee's review function will be triggered "at the request of any person." I am wondering if the revised terms of reference for this committee will contain that sort of continued commitment.

Hon. Mr. Norton: The final form of the terms of reference has not yet been determined. There are recommended terms of reference. The ultimate decision, since it is an advisory body to the Premier, will be made by him. That is certainly part of the recommendation.

Mr. Elston: You are not prepared then to comment on whether or not that one specific provision is still part of the draft terms of reference?

Hon. Mr. Norton: My guess would be that in addition to that mechanism, it would be triggered by the Premier himself in many if not most of the instances before the matter came before cabinet for consideration.

Mr. Elston: But you are sure it will be before then?

Hon. Mr. Norton: Yes. What is the point of having it considered after cabinet has made a decision?

Mr. Elston: That is something Mr. Laughren was concerned about and we have been as well.

Hon. Mr. Norton: It just does not make any sense to me that it should be something where cabinet makes a decision and then— It is important, in my mind at least, that it not be seen as an appeal body from a decision by cabinet, but rather a body that would act as a screening mechanism and make recommendations. Ultimately, it is the responsibility of the executive council to make the final decision.

Mr. Elston: At this time, the Premier has not had an opportunity to review any of the draft material?

Hon. Mr. Norton: On the basis of what he said in the House today, it is my understanding that is the case. It is in his office at the moment.

Mr. Elston: I have a copy of a letter the Premier wrote on March 1, 1982, to Grace Patterson, who is a counsel with the Canadian Environmental Law Association.

I shall just quote one final paragraph: "In connection with the environmental assessment advisory committee, my position and the position of the Minister of the Environment remain as previously stated." He outlines some prior things. "I am currently reviewing with the minister the proposed terms of reference for the committee and the names of potential appointees. I expect to be able to announce our decisions on these matters very soon."

That seemed to indicate to me that as early as March 1, 1982, or probably even before March, he was reviewing the terms of reference. Yet today both you and he say that is not the case.

Hon. Mr. Norton: There is no question there were discussions prior to the submission of a formal recommendation of options to the Premier. I would assume that is what he was referring to. What is before him, or what is in his office now, is certainly not the first time he and I have discussed the matter.

Mr. Elston: The way the letter reads, it indicates to me there was a body of proposals, there was a reference already before him to review and that you have been discussing it. What you are telling me now is you had some consultation with him before these proposals had been prepared. Maybe I am missing some-

thing, but it seems to me there is an inference there.

Hon. Mr. Norton: We can get into discussion that centre only on semantics, if you wish, in terms of the specific wording of a letter. I do not happen to be on Grace's copy list, so I am not sure I have even seen the specific letter you are referring to.

In my view, you should not think it unreasonable that when the Premier has made a commitment with respect to a particular body such as this, he would then discuss with me the kinds of options he would like to consider. That might well lead subsequently to a submission to him of a variety of options that meet the kinds of parameters we have discussed.

Mr. Elston: Have you now had an opportunity to discuss with the Premier whether or not the function of the committee will be triggered at the request of any person? That was one of the questions I had asked earlier and you said you had not had a chance—

Hon. Mr. Norton: That will ultimately be the Premier's decision. In terms of specific mechanisms—

Mr. Elston: So you have or have not discussed it with him?

8:50 p.m.

Hon. Mr. Norton: As far as I am aware, that is still his intention since he has made that commitment, but I pointed out to you I do not think that would be the only mechanism by which it would be triggered.

Mr. Elston: Then other than the Premier who might also trigger the request? One of the members of the executive council, for instance yourself, the Ministry of Energy (Mr. Welch) or someone?

Hon. Mr. Norton: Certainly.

Mr. Elston: Since the Premier indicated he has been reviewing candidates to become appointees to the committee, can you advise us if you have come up with a decision yet on who might be chairman of the committee or on a group of names for selection to the committee?

Hon. Mr. Norton: Since it is his advisory committee, that would ultimately be his decision. I believe he has invited recommendation from environmental groups of suggested names for him to consider. I do not know what those names might be or what stage he might be at in terms of making that decision.

Mr. Elston: Do you know how many members might be appointed to the committee at all?

Hon. Mr. Norton: It would depend again on the structural options before him at present for consideration. My personal feeling is that it is probably preferable to keep it relatively small so it does not become a cumbersome body.

Mr. Elston: It could be a possible position for the former Minister of the Environment.

Hon. Mr. Norton: Is that a recommendation you would like me to carry to the Premier?

Mr. Elston: I am just asking if names have come up at all during discussions.

Hon. Mr. Norton: I have not been party to discussions with the Premier on specific names.

Mr. Elston: You have not made any recommendations either?

Hon. Mr. Norton: I might have, but if I have, then those would be confidential.

Mr. Elston: I take it you have made recommendations and they will be revealed—

Hon. Mr. Norton: "Revealed" did you say?

Mr. Elston: Yes, revealed at the appropriate time.

Hon. Mr. Norton: The decision of the Premier will be revealed. I am not sure all of the recommendations that might have been made to him would be revealed. Would you be shocked if I said I have suggested you on the condition you remove yourself from certain responsibilities you have at present?

Mr. Elston: Even with those conditions that would surprise me.

Mr. G. I. Miller: The former critic would be a good one. He would seem to be fair and very knowledgeable.

Hon. Mr. Norton: The former critic?

Mr. G. I. Miller: Yes.

Hon. Mr. Norton: Mr. Kerrio?

Mr. G. I. Miller: No, no. Murray Gaunt.

Hon. Mr. Norton: Do you have any other suggestions you would like me to carry to the Premier? I have Elston and Gaunt. I think Kerrio would be an ideal one. He has a good balanced sense of humour.

Mr. G. I. Miller: No, he has work to do.

Hon. Mr. Norton: Oh, I see.

Mr. G. I. Miller: He has his work cut out for him.

Mr. Andrewes: That sounds like a very partial committee to me.

Mr. G. I. Miller: I don't know. Not with Murray Gaunt on it. I would say he was a pretty

fair member. In order to get the best people in Ontario, I think it would be a good move.

Hon. Mr. Norton: Mark is going to ask you to put forward his name.

Mr. Chairman: Is that it for item 1?

Item 1 agreed to.

On item 2, air resources.

Mr. Chairman: Vote 2102(1), air resources. Have we exhausted that yet?

Mr. Elston: No. I have a couple of things on that, Mr. Chairman. Actually I have more than a couple.

It is surprising that we had a fairly long reply from the minister with respect to some of the arguments we developed during our General Public Utilities motion last week. It was reported in the *Globe and Mail* that you would be prepared to reply to a number of the points I raised. I am not concerned that you reply to all those points here. If you will undertake to reply to a lot of those points, perhaps in writing or however, I will leave it up to you as to how you wish to respond to those.

Hon. Mr. Norton: At this point I would have to view Hansard to make sure I did not miss any of them.

Mr. Elston: Perhaps you would respond to us then, rather than taking up time in committee while you review Hansard and those other things.

I do want to indicate you did raise some questions about the accuracy of some of the percentage figures and items we used with respect to emissions at Hydro. I want to indicate from what I understand—and I went over it again just to make sure we were still in the same ballpark—the order was written on the basis of 1980 emissions by Hydro which were at the level of 410,000 tons.

Hon. Mr. Norton: Actually I believe it was an average base, was it not? I think it was 1979, 1980 and projected 1981 or something like that.

Mr. Elston: In any event, around 1980 we ended up with total emissions of about 410,000 tons. I understood that was pretty close to an average. We were to start in 1986 to reduce that to 390,000 tons. That dropped the percentage decrease we had earlier set out in our figures of four point something per cent. Then from there in 1990 we get a reduction down to 260,000 tons. It was from the reduction from 410,000 tons to 260,000 tons that we then developed our 36.6 per cent decrease in emissions rather than the 43 per cent which you had tried to explain to us.

I do not think I want to leave the impression on the record that our figures are as erroneous as you had tried to make out, nor were they based on this information. They were based on the information we had been provided with, and I think those are the only sound sort of calculations we can come up with. If you wish, you can go over your figures again. If you want to answer some of the arguments on the GPU matter and include the criticisms in that written material, that would be fine as well, but I wanted to set out how we had done that.

Hon. Mr. Norton: This should not take long, but perhaps to clarify the difference in terms of the approach, I could just comment briefly at this point.

In the original statement and in the regulation, the base was the average of 1979 actual emissions and 1980 and 1981 forecast emissions, which would be reduced by 43 per cent by 1990—in other words, 260,000 tons, if you are referring to sulphur dioxide. The projected increases were somewhat less than had been anticipated. In 1980 the emissions were 396,000 tons; in 1981 they were 418,000 tons for a 5.5 per cent increase. That is to be reduced by 1986 to 390,000 tons and by 1990 to 260,000 tons.

One of the confusing things has been that in some of the comments from Hydro—and perhaps I have contributed unwittingly to this in part—I referred to 50 per cent, and usually I have tried to make it clear that it is by about 50 per cent from present levels, but from the base year it is 43 per cent. Hydro has made reference to total acid gas emissions based on a forecast high of 600,000 tons to be reduced to 300,000 tons in 1990. By total acid gas emissions I believe they have included not only sulphur emissions, but also nitrogen oxides emissions. That is part of the reason for the difference in the percentages.

The point I was trying to make when this was discussed at the time of the motion was that I think it is not so significant—I guess it is important to try to express it in percentages so it is easier for people to understand the magnitude of the reduction we are talking about from the base years. The concern I have is that if we talk only in percentages, people are going to miss the point that even though there may be some years of increase, such as 1981 and 1982, it is important to bear in mind that we are still talking about an absolute target tonnage for reduction purposes. If you take a year of higher emissions, such as 1982, and if you work only in percentag-

es, it may look as if the reduction is to a higher target in 1990, but that is not the case.

Mr. Elston: What assurances do we have when 1986 comes along that you, your successors or whomever, will not grant an extension or at least grant an increased level of emissions to Hydro? That is really a major concern.

Hon. Mr. Norton: As I mentioned the other night, you are then not addressing the capacity of Hydro to achieve the target but rather expressing a scepticism, I suppose, about the commitment.

I can assure you there is no intention on my part to in any way alter those targets. In fact Hydro is presently planning to achieve those targets. If the GPU project were to proceed the way well have to use increased amounts of low-sulphur coal, for example, until the scrubbers are in place.

Mr. Elston: Which scrubbers are these?

Hon. Mr. Norton: The scrubbers they are planning to install. This was not required by the regulation but rather it was a decision by Hydro in order to achieve the targets that are established in the regulation. It is their intention to install at least two scrubbers.

Mr. Elston: As I understand it, these are not being installed at Nanticoke?

Hon. Mr. Norton: I do not know whether Hydro has made an absolute decision as to where they will be installed, but they have options as to whether they might be installed at Lambton or Nanticoke.

My understanding is that they have talked about Lambton because the gain in reducing emissions would be greater at the Lambton station than at Nanticoke.

Mr. Elston: I understood that the Lambton emissions actually were relatively small compared to those at Nanticoke and that the amount of emissions that might be controlled at the Nanticoke station, if the scrubbers were installed there, would be much higher.

Hon. Mr. Norton: I do not understand that that is the case. I think in fact it is the reverse. I might I will call upon Dr. Van Volkenburg and ask him if he will come forward for a moment since he is the head of our air resources branch and is much more knowledgeable on the specifics than I am.

Mr. G. I. Miller: May I throw out a couple of figures here, Mr. Chairman?

Mr. Chairman: Sure, fire away.

Mr. G. I. Miller: As my colleague was indicating, the figure we have for Lambton for 1981 is 74,000 tons and Nanticoke alone produced 45,000 tons in 1981.

Hon. Mr. Norton: Sorry, could you repeat that?

Mr. G. I. Miller: It was 245,000 tons at Nanticoke; that is including sulphur dioxide and oxides of nitrogen. So when you are talking about getting down to about 300,000 tons, Nanticoke could be producing almost that much alone. Do you not think that that should be the priority, dealing with the major contributor?

Hon. Mr. Norton: Obviously, some of these decisions are highly technical. I do not have the 1981 figures in front of me; the most recent ones have are for 1980 and I would point out that Lambton is higher in emissions.

Mr. G. I. Miller: It was 181,000 metric tons of sulphur dioxide and 64,000 metric tons of oxides of nitrogen, making an estimated total of 245,000 tons.

Hon. Mr. Norton: Perhaps Dr. Van Volkenburgh can address that. He may be able to resolve your concerns.

Dr. Van Volkenburgh: There are a couple of things to remember in looking at the quantity of emissions from the big three plants that Hydro has.

In 1981 the Nanticoke plant was indeed emitting 181,000 tons of SO₂. The Lambton plant is rated at 154,000 tons. These numbers are over a comparable four- or five-year period when Hydro may one year load one plant a little more than the other plants and then may switch them.

One reason the emissions may look comparable even though Nanticoke is actually generating more power is that Nanticoke actually runs on a lower sulphur coal mixture. About half of the coal burned at Nanticoke is western Canadian low-sulphur coal. That is mixed with the US bituminous coal. So actually Ontario Hydro's Nanticoke plant runs on the lowest sulphur coal mixture of all three plants.

Mr. G. I. Miller: How long have they been running on that? Is that since 1981? Was it running on it then?

Dr. Van Volkenburgh: In 1981 they used the mixture throughout the year except for about two months. I think they had about a two-month period towards the end of the year when they had a shortage of western Canadian coal.

As I remember, for most of the year in 1980

they were running on a mixture. They started the mixing program in about 1979 and carried it into a bit of 1980.

Hon. Mr. Norton: Can I just pick up on Dr. Volkenburgh's point and emphasize what I think the point is that he made? By virtue of the lower sulphur content of the coal mix in Nanticoke the scrubbers would be more efficient in emission reduction, potentially at least, if installed at Lambton. Is that the point you were making?

In other words, because it is a higher sulphur coal the reduction would be greater.

Dr. Van Volkenburgh: You get a lot more bang for the buck.

Hon. Mr. Norton: We have not dictated to Hydro where they will achieve their greatest reduction in order to meet the targets. It is my understanding from some discussions I have had with them that they share that view that they could install the scrubbers presumably at Nanticoke, but the effect would be much less dramatic in terms of reductions.

Mr. G. I. Miller: But again, Mr. Minister, Nanticoke is producing three times the quantity of emissions of Lakeview, which is the third largest polluter, and twice as much as Lambton. Lambton and Nanticoke are the two major producers and even running on low-sulphur coal the tonnage is still extremely high.

Again, if we are planning on making the sale it seems to me it would make good sense to provide scrubbers on both those plants, because they are the major producers.

Can I ask one question? Are they using low-sulphur coal at Lakeview at present, because the tonnage from 1979 was reduced from 91,000 tons to 63,000?

Dr. Van Volkenburgh: The coal mix used at Lakeview is about two per cent sulphur most of the time. During conditions of a southerly wind blowing into the city they are under orders to reduce both the amount of coal they use and the amount of load they provide.

If you go back a couple of years you can see from the emissions table that Lakeview was emitting a much larger quantity of SO₂. All three of the plants' emissions will vary year to year just because of the way Hydro schedules them. You might find, for instance, that some of the boilers were down for repair in 1981 and that is why the emissions were a little lower.

Mr. G. I. Miller: I understand that. I think the plant at Nanticoke did have some problems. I think it is running close to 100 per cent efficiency at present; that probably accounts for

the high tonnage. But I still say that Lambton and Nanticoke are the two major polluters.

Nanticoke is always going to be largest, because it is the largest station. To get a return there should be some priority. Even if they reduce to 300,000 tons by 1990, Nanticoke alone is going to be producing almost 300,000 tons.

9:10 p.m.

Hon. Mr. Norton: As has been explained, that is not necessarily so. It depends upon the load placed on given plants.

Mr. Elston: I take it from what you said, in keeping with your suggestion the export would be a clean export, you might be prepared to suggest they install the scrubbers at Nanticoke instead of Lambton, rather than suggesting they put in extras as a condition of the sale.

Perhaps I took something from the way you said it. Maybe I took it wrong, but it sounded as though you might suggest that be the case.

Hon. Mr. Norton: If I recall correctly, what I said is they might well install the two scrubbers they are contemplating at Nanticoke, but the gain in reduced emissions would probably be less than if they were—

Mr. Elston: Are you recommending anything along that line?

Hon. Mr. Norton: No, I am not. We are requiring they reduce their emissions.

Another thing to emphasize is that it will be a system export, if it is approved and goes ahead. It will not all be generated at Nanticoke. Undoubtedly some of it will be, but I do not know what proportion. Presumably some of it will come from Lambton as well and other units within the system.

Mr. Elston: It is interesting to note that in their recent recommendations to the Ontario Energy Board, Hydro has already included the cost of construction of the cable in its budget. That indicates to me they feel assured they are going to receive permission to make the export. You may want to say they are doing it as a hedge against the fact it is going to be approved.

From what I can find, there is nothing included in that budget that reflects any increased pollution control activity to coincide with the installation of that cable. That seems to indicate they feel they are not going to be required, as a condition of the approval of that sale, to install any extra pollution control devices.

Hon. Mr. Norton: I have not reviewed Hydro's budget in detail. I do not know what they might have included. If there are requirements for

additional controls as conditions of any approval they might receive they will have to do it if they are going to proceed. I do not know if anyone in this room is in a position to comment on what specifically is included in their budget against those contingencies.

As I understand it, if they do proceed the ordering of the cable would be one of the first things they would have to do. That requires a significant amount of lead time because you just do not go to the Canadian Tire store and buy the cable you are looking for. That is something very few companies in the world can produce, so they have to get their order in well in advance. For that reason, if they were required to make expenditures, the early expenditures presumably would be—I do not know how they function, whether it is deposits or down payments or what on the cable as security against the cost of production.

Mr. Elston: It is Canadian Tire money.

Hon. Mr. Norton: No, actually it is your money and mine.

Mr. Elston: That is part of the concern as well.

The other thing is to enforce the idea that this is going to be a clean export. Are you prepared to make sure this occurs and to rewrite the regulations to ensure there will be no increased emissions after 1986 at all as a result of this export using a good, tough approach?

Hon. Mr. Norton: Each time you ask that question or any variation or modification of it, you are effectively asking me what my specific recommendations are to the executive council of this province. I have consistently said I will not share that for reasons I think are obvious. I will stand by my commitment that it will be a clean export. I do that with some considerable confidence.

Mr. Elston: Okay, that is one part of it. As a follow-up to that, you indicated you would probably be coming up with an announcement at some point. Can you tell us when there will be an announcement?

At the end of our motion last week, you indicated you felt there would be some movement within the next month or so. This was said outside the committee when you were speaking to journalists. Can you let us know when you expect the announcement to come?

Hon. Mr. Norton: I cannot give you a precise timing for that. There are two moves I would think are fairly imminent. One would be some decision by the federal government, which

ould be fairly soon, but I do not know when. The other would be a decision by the Ontario cabinet. I cannot be any more precise than to suggest that if those decisions are not made one way or the other in the near future, certainly before the end of this month, then they will be irrelevant.

Interjection: Irrelevant?

Hon. Mr. Norton: I do not find as many things irrelevant as he does.

Mr. Elston: I wonder if we could move to a different area and go to the Inco emission regulation we spoke about briefly the other evening. Based on what we know today, do you think Inco will meet the regulation and reduce emissions at Copper Cliff down to 1,950 short tons per working day by January 1? This is when they are going full scale, based on what we know of their capacity right now.

Hon. Mr. Norton: Yes, that is my expectation.

Mr. Elston: But not right at this time?

Hon. Mr. Norton: No. If you want to look at it on an annual basis, this may not be a good year to do the calculation. However, if one were to look at it on the days they operate this year, I think they will achieve that. That is my expectation on the basis of the information we receive.

Mr. Elston: On the basis of that then, it appears the regulations are having their desired effect. Will you then be issuing an order as of January 1 to bring Inco emissions to between 800 and 1,000 metric tons per working day? In other words, are you going to take that second step and get them to reduce their emissions again?

Hon. Mr. Norton: There will clearly be steps taken to reduce the emissions further.

Mr. Elston: Reduce them to 1,950?

Hon. Mr. Norton: Yes. At this point, I am not in a position to determine the precise timing of the issuance of a new regulation or order and the specific targets. That in part will be determined by the information and advice we receive from the Canada-Ontario task force.

Mr. Elston: In October?

Hon. Mr. Norton: Yes, in terms of the most appropriate technology for smelters for further reduction. As I have mentioned on numerous occasions before, I am aware Inco is expending a considerable amount of money and effort in developing technology to move further itself. I am not sure of the timing of that.

Mr. Elston: Is that at Thompson?

Hon. Mr. Norton: They are doing some experimental work at Thompson, but that is not all they are doing.

9:20 p.m.

Mr. Elston: No, I certainly agree with that. They are doing a lot of work in this research area.

Hon. Mr. Norton: As I understand it, the work at Thompson is successful. I have not seen it. I have not been out myself. It probably would not be helpful to anyone if I did, but some of our staff have—

Mr. Elston: It is still cold up there.

Hon. Mr. Norton: —and have been favourably impressed with the results.

Mr. Elston: One of the problems in the past, and I imagine in the future, is that when we come up with these orders, when a corporation goes to install the technology, if it is available, it has to rely on market conditions to decide whether or not it is going to be financially able to install it.

I know we talked very briefly about some of the alternatives you were looking at, but if you are sure that you are going to put them in a position where they are going to reduce by regulation—I presume it will be by regulation again, since it has been in the past—

Hon. Mr. Norton: That has not been decided.

Mr. Elston: Since it did not agree with the last regulation, I presume that you will be going—

Hon. Mr. Norton: Under similar circumstances it would probably be by regulation.

Mr. Elston: You must have some idea, if the financial status of the company is such that it could not do it without causing financial hardship to it, of how you are going to either assist or impress upon them the necessity of installing the technology to reduce the emissions. Can you comment on that aspect?

Hon. Mr. Norton: That is obviously an area of some concern at this point in any industry affected by the current economic situation. I have had some discussions on the projections for an upswing in the market. There is some optimism with respect to that occurring in the not too distant future.

It may affect—and this is speculation at this point, I want to emphasize that—

Mr. Elston: Something like buying Suncor shares—speculation.

Hon. Mr. Norton: —it may affect the timing to some extent of the achievement of the

targets. I am just suggesting that this may be one of the effects.

If you are asking if I am contemplating assisting installation of improved technology with public funding, the answer is no. Basically, this is an area in which I think the polluter or user of the product should pay. It is initially the polluter, but ultimately the user.

In discussions with some companies—it was not raised by me but by others present—that there might be a possibility of some public involvement either from the federal or provincial governments, it has been interesting to note that the companies in this country are often the first to say, "That really ought not be necessary because of the tax structure in Canada."

Do not ask me to give you an analysis of the difference between the Canadian and American tax structure in this area, but there is apparently a significant difference. They would say that if they were operating in the United States it might well be necessary, but they feel that provided there is some economic recovery in the foreseeable future, companies will be able to handle it.

Mr. Elston: That is really the key. Right now it is going to be very difficult for a company such as Inco—which was operating at 60 per cent capacity before strike time in the markets, which apparently were down worldwide—to get very much economic recovery back from the installation of a system for the recovery of sulphur and then, ultimately, probably for the processing of that sulphur to sulphuric acid, making it available to a market which as I understand it is also depressed.

When we get to the situation you mention, where the timing of these orders or regulations will be affected by the financial condition of our times, I am concerned that what may happen without some sort of assistance or contingency plan is that we will have a postponement of the imposition of these new regulations or orders to some long time in the future when we are back on economic recovery of the country.

Once we decide that the orders must be put in place, I do not think we can afford to let that go on ad nauseam.

Hon. Mr. Norton: I am not prepared at this point to foreclose any possibility of that type of thing. On the other hand, I think it is too early to go beyond the point of speculation we have engaged in at this point.

It may be something which I will have a better handle on towards the latter part of this year, but right now I do not think anyone has. However, it does not in any way alter the

direction or the determination of the commitment. It may well be something that will be coming up in subsequent meetings between the federal and provincial governments; everyone is going to be facing this same kind of situation except.

Mr. Elston: Is anyone in your ministry currently involved in doing feasibility studies on using recovered sulphur for something other than processing into sulphuric acid, or just dumping?

Hon. Mr. Norton: No one in the ministry, to the best of my knowledge, is doing any specific research in that area.

I have raised with the staff what I think is the desirability, provided we can get the necessary research funds, of perhaps encouraging some research along those lines in co-operation with corporations like Ontario Hydro, whether it be in the academic community or in industrial research facilities.

I think that in the future, especially if the installation of scrubbers is seen as the long-term answer, is a problem we really must address: the problem of the utilization of sludge. As I understand it, the acid presently being produced by some is costing them money. They are not making money on the acid. In fact, in some instances they are losing money on the production of acid.

I know there is some thought being given, and possibly some research carried out, into utilization of the sludge in manufacturing some type of fibreboard.

Mr. Elston: It is not economical at present, believe.

Hon. Mr. Norton: I do not know whether it or not—

Mr. Kolyn: You have Canadian Gypsum, you have Domtar in Caledonia. If you could use it, it would be a good place to get rid of it.

Hon. Mr. Norton: Those kind of things have to be more fully explored because we cannot simply have pools of sludge sitting around the countryside. That then becomes another kind of environmental problem.

Mr. Elston: I was specifically looking at suggestion that has been made that the sulphur from the recovery system at Inco could perhaps be mixed with some phosphate rock in Cargill township, which would, in effect, create a fertilizer industry in the north.

It could create jobs as well; it would deal with two waste products at one time and create something that would not only be of benefit to

that area but certainly to the economy of the province in total. That means we would not then be relying on having at least a certain percentage of it shipped in from outside. I am wondering if you are recommending anything along those lines or following up on that.

Hon. Mr. Norton: I know it has been mentioned but I am not sure what, beyond that, has been done.

Mr. Gillies: As far as I am aware—and maybe Mr. Drowley can add to this—it seems to me that we certainly have had discussions with Inco, which has been pursuing this as a possibility. I am not aware that anything has been realized.

30 p.m.

Mr. Elston: I understand the federal people are looking at that. I was wondering if you are pecking into it in concert with them. If it turns out to be feasible, it will have a significant impact not only on the environment but also on our economic potential there.

Hon. Mr. Norton: Perhaps I could ask Mr. Drowley if he would come forward and comment.

Mr. Drowley: I am always coming forward.

Mr. J. A. Reed: Could you run over what uses there would be for the waste? The general public does not realize—I think it is very important—what can be caused by storing and what the alternatives are. What are the alternative uses? You mentioned gypsum and fertilizers.

Hon. Mr. Norton: I do not know whether anyone could answer all those questions comprehensively at this point. That is precisely what we are discussing; what work has been done or could be done to determine uses other than simply creating another problem. Mr. Drowley could perhaps comment on that.

Mr. Drowley: In answering the question regarding the Cargill phosphate deposit, as you are most likely aware, Sherritt Gordon Mines have one option on that property. They are actively trying to promote it. I know they have been talking to Inco. They have been talking to the Kidd Creek people. At this stage of the game, I cannot tell you where it stands. I know it is under active consideration. Once again, I guess the bottom line will be the dollars and what they can get for the product when they do produce it.

The other question raised was the feasibility of sulphur recovery. One of the problems one finds in the smelting operations is that one

generates it as sulphur dioxide. It becomes an extremely high-cost operation to convert that to sulphur.

In oil refineries, which do recover in the form of sulphur, they are recovering it from a hydrogen sulphide stream rather than sulphur dioxide, which is quite an economical operation. That is one of the reasons Alberta has such a massive stockpile of sulphur. Some of their gas wells run about 85 per cent hydrogen sulphide. It becomes a very economical form of recovery.

That is basically what we are looking at. In addition to that, the question was raised whether we are looking at the waste product. Part of the report the minister will get will deal with the possible disposition of waste products. It will be included in the study the minister will get.

Mr. Chairman: We will move on. If you want a supplementary, go ahead.

Mr. Stevenson: I found it rather curious, Mr. Riddell wondered out loud about the possibility of acid rain affecting crop yields the other day. I gathered from the way it was worded that he was thinking of more than just white beans and grapes sort of thing, on a broader spectrum.

As I understand it, there are three ways sulphur dioxide and oxides of nitrogen can affect plants. One is through gaseous uptake, just as they take up carbon dioxide in photosynthesis. The other I suppose is the remote chance the precipitation itself could have an effect on the plants while it is falling on them, but I suspect with the long-chain organic materials in the cuticle that is rather unlikely. Then the last is when it actually falls on the soil and could affect nutrient balances in the soil.

If it is a concern on a broad scale basis in southern Ontario then I would say one is looking either at visible effects on the plant material or a soil problem. One person is saying he is concerned, that it is a problem, and another person is saying we are going to consider putting that sulphur with phosphate rock, concentrating it and bringing it down here and putting it on southern Ontario soil. If it is already falling on it, if there is a chance it is already a problem, why are we going to concentrate it and bring more of it down here?

It is my opinion that on a broad-crop basis acid precipitation is not a problem in Ontario. In the corn crop we are applying over 100 pounds per acre of nitrate anyway on a routine basis, either as manure or commercial fertilizer, or whatever. It all has to be converted to nitrate before the plant takes it up. So a few pounds of extra nitrate is probably beneficial in southern

Ontario. I am not sure if they have clarified whether it is necessarily beneficial in the north yet. I would think in the south it probably is.

On sulphur, I have not seen much information recently. When Andrewes and I were going through school a number of the cold crops were giving sulphur responses at that time. You could quite frequently see yield advantages to something like cabbage.

Interjection: Which crops are those?

Mr. Stevenson: Cabbage or lettuce or something like that.

Mr. Chairman: Is that the same Andrewes who was going to take the chair?

Mr. Stevenson: The one who just left here a few seconds ago.

I am not sure whether those responses are still being found or not. I suspect they are not. I also suspect we are a long way from sulphur toxicity in soils.

I am not trying to be critical here, but it is conflicting to say acid precipitation may be a problem to crops in general in southern Ontario and then turn around and suggest that is one possible end use of the product which results from cleaning up emissions.

Mr. Elston: I do not think there has been any problem in recognizing that some things acting by themselves could cause severe harm to organisms. When they are mixed or compounded chemically with something else, they become less harmful.

Mr. Stevenson: It is probably going to be brought down here as a calcium sulphate or something and that is what it would become in the soil anyway. I do not think there will be anything particularly original about what man does with it because I expect nature would do basically the same thing with it.

Mr. Elston: That is quite possible. Maybe what we can do is help remove it before it gets into our lake systems. That is something else.

Mr. Stevenson: It is interesting to see what other areas are doing. You can still find ads in the United States for sulphur-fortified phosphate. Anyone who watches US agricultural journals will still see that advertised. One does not see it in Ontario much but it is down there.

Another thing I found interesting is in the last issue of the technical journal I suppose you would call it, the one that comes out of the Ohio State research and development station at Wooster, Ohio, which is the main research station for Ohio State University, the land-grant

college in Ohio. They have a fairly major study on the effect of acid precipitation on corn and soybeans, the main crops in Ohio.

Out of a list of something like 16 factors they were trying to examine in this large study, probably two thirds of them were positive effects on crop growth and about one third of them negative. It is quite clear where the biases on the effect of precipitation lie at that point.

Mr. Elston: There is quite a struggle going on now in the States. We talked briefly before about some of the suggestions made by the GPP people, that without the oxides of nitrogen and sulphur dioxide deposits via acid precipitation their vegetation in Pennsylvania would be completely eliminated. I rather suspect they are basing some of their information on these initial studies. I do not know.

The fact remains we have some material being presented by Environment Canada, and some of it is recognized by other sources as well that indicates the devastating effect the precipitation is having on our waterways, certainly on our wildlife, and eventually through that to our tourist industry and others. I guess there are some things that may possibly benefit. I can recognize that as being the reason why we should stop trying to prevent acid rain or stop eliminating the emissions.

9:40 p.m.

I think we are probably going ahead to do that. I think our minister wants to—

Mr. Stevenson: I was not suggesting we should not stop. I was relating specifically to the reaction in southern Ontario. When I say south I mean the intensively cropped area, not the Muskoka area.

Mr. Elston: Southwestern Ontario.

Hon. Mr. Norton: Not the pre-Cambrian shield.

Mr. Chairman, I realize I am not a member of the committee so it is not for me to ask questions, but I would like to ask Dr. Stevenson whether in his view—and he may not immediately know the answer to this—there are potential problems related to the form in which the precipitation falls on the soil in the potential mobilization of metals and uptake in agricultural crops. I do not know the answer to that question.

For sure I know there is some concern, not necessarily about agricultural crops but more permanent kinds of vegetation in some European countries. Is that a risk that—

Mr. Stevenson: I think the ministry staff have pretty well outlined that in a fairly general manner. I am not sure how much research they have finished but certainly it is well known, and I think some of their publications certainly make it clear, that aluminum is one cation that is pleased as toxicity drops. There are a number of others.

Of course, in reverse it is the same thing. If the pH gets too high, others are tied up.

That sort of information is available. I know it is in some of the ministry material because it was presented to the Americans when they were up here on their trip.

Mr. Chairman: You have asked the question. Perhaps the minister could pursue that with staff tomorrow morning.

Hon. Mr. Norton: I feel it is appropriate to illuminate all members of the committee.

Mr. Elston: You will have to be careful. There seems to be a member here who has more information than you do.

Hon. Mr. Norton: I don't happen to have a PhD in soil sciences though.

Mr. G. I. Miller: What about the pH factors, the copper and lead?

We had the opportunity of hearing Dr. Jack Valentine speak last night; I think he is with Environment Canada. He indicated clearly that agriculture would have to be concerned with the pH and the water. At the meeting last night there were people from Selkirk who use cistern water for soft water and the pH factor, the acidity of it, is increasing.

I think he was very fair and he was not an extremist in any way, and he did indicate that in Southern Ontario the lime base was an equalizing factor and could be helpful and that acid rain could be less destructive in our area.

One thing I do know as a farmer and I have farmed all my life, is that spring crops, like barley and oats, haven't been as productive as they were 10 or 15 years ago. I know they do go through cycles and the spring grain crops this year look exceptionally good up to this time. Corn, which has only been grown to any extent in the oldtimand-Norfolk in the last 20 years, is thriving well and increasing in production. Soybeans are coming in.

Again, I think that may be a good indicator that the corn is a little hardier. Spring grain is maybe not quite so hardy and I think it is going to be a good indication.

Just one final thing, when we are talking about utilizing experimental procedures in Ohio,

we have South Cayuga which is class 1 land and maybe 100 or 200 acres there could be set aside to experiment and to utilize some new technology. To protect the environment might be a useful purpose for that particular land; it could be used as an agriculture experimental station.

Interjection.

Hon. Mr. Norton: I do not and neither does our ministry, but I believe the Ministry of Government Services has a few acres.

Mr. Charlton: They offered it to you once.

Mr. Kolyn: Before we move on, I would like to ask a question on vehicle emissions. As the minister is well aware, I am very interested in propane fuel for passenger vehicles, trucks and cars. Could someone tell me the difference between emissions with propane fuel and ordinary gasoline?

Hon. Mr. Norton: I suspect Dr. Van Volkenburgh may give you a reasonable answer to that. I am not sure that he is quite as confident as I am.

Dr. Van Volkenburgh: I can give part of the answer. If I could call on one of my supervisors, Mr. Bruce Martin, I think he could give the other half.

There are a number of constituents of emissions from automotive exhaust that are of concern both for local pollution and long-range pollution. Carbon monoxide is one of the emissions. Nitrogen oxides and hydrocarbons are tied in to the oxidants problem and carbon monoxide is usually a local air quality concern if you have a very high density of traffic and you don't have a lot of wind to disperse the emissions.

Bruce might be able to comment on the relative amounts that you would expect from those emissions. I think a general statement is that propane burns cleaner than gasoline and part of that is tied into the combustion temperature.

Mr. Martin: That is correct. I do not have the figures with me at the moment but it is generally cleaner; there is much less in the way of hydrocarbons and CO. If my memory serves me correctly, oxides of nitrogen are about the same.

Mr. Kolyn: Just for argument's sake, if we converted all the cars in Ontario, how much would the pollution rate be lowered?

Mr. Martin: I do not have the comparative figures at my fingertips, but I could—

Mr. Kolyn: There would be a difference?

Mr. Martin: Definitely, it would be lower.

Hon. Mr. Norton: From what you have said, would it be reasonable to conclude that there might be less differential in the area of nitrogen oxides emissions?

Mr. Martin: Nitrogen oxides are about the same, if my memory serves me correctly. It is a matter of temperature primarily, but the hydrocarbons and the CO are lower.

Hon. Mr. Norton: So the reduction might be greater in the area of ozone, but not necessarily in nitric acid—

Mr. Martin: Again, this is by memory and I have not seen the figures recently but that is as I remember it.

Mr. Kolyn: Could I ask your staff to send me that information? I haven't been able to find it anywhere up until now, as a matter of fact.

Mr. Elston: Before Dr. Van Volkenburgh leaves us, I wonder if he could comment to us about the MOE's long-range transport model which sort of falls into the same area, because that does affect what emissions are coming in and going out. Just so you do not have to come here again, I wonder if you could explain fairly quickly how it does work, if that is possible.

Dr. Van Volkenburgh: First of all, there are a number of groups that are involved in long-range transport modelling in Canada, the United States and Europe. Our ministry and the Environment Canada people in the atmospheric environment service in Downsview are the two groups in Canada that have working models. The Environment Quebec people are very close to having a working model.

The models in existence in all the research divisions of the various agencies are similar in some respects and slightly different in others. We have not quite unionized, but we do have a lot of workshops and scientific interchange to make sure that when we do develop a model and we start to compare the model to experimental data that the results are within the different bands of uncertainty that you might expect from the slightly different approaches.

9:50 p.m.

The ministry's model is certainly well within the range of acceptability, has been sent out for international scrutiny by experts in Europe and the United States as well as in Canada, and has been published in professional journals.

The way the model works is to assume that you have a set of emissions in a given area. The area we are using is east of the Rockies, south to the Gulf of Mexico and north to the limit of emissions in Canada.

Once you have that set of emissions, you take a set of weather data, average out the weather data into a sort of long-term forecast such as a five or 10-year weather set, and get an average picture of the weather. Then you look at how the emissions are distributed geographically.

For instance, if you take one source and you have that emitted, you take the meteorology and you will see that one source will disperse the pollution in a geographical pattern. Then you can look at transformations of, say, SO₂ and disulphur compounds using chemistry.

The model is linear in the sense that it assumes the transformation rate is fixed. It does not have other chemical constituents in it yet although that is something we and other agencies are working on.

The way you try to build up a prediction of the amount of deposition or the amount of concentration of sulphur is by taking a point of interest, say Muskoka, and saying, "Inco, Noranda, Hydro's power plants, the 200 or 300 power plants in the US and oil-fired burners in New England all contribute something." You add up the contributions at that point that come from all these geographical patterns.

Then, if you want to explore how the deposition of material might change, you can do that by simply changing the set of emissions. If you change the emissions, say in the US or Canada, then you can see how the deposition at that point moves up or down.

Is that along the lines you wanted?

Mr. Elston: It is something that is of concern to me. One of the things that is happening particularly when we are dealing with international negotiations, is the fact that some people in the United States are saying they have actually found Inco to drop a high percentage of their emissions, for instance, all the way down New Jersey.

I spoke with some of the research staff from Inco. Their model indicated that their sphere of influence would not allow the travel of the emissions to a point that far down the coast because of the way the winds were blowing.

I wondered if you might comment on whether or not you studied their emissions and whether or not you are able to comment on that claim from Inco.

Dr. Van Volkenburgh: Perhaps the claim you are referring to comes from a Dr. Kenneth Rahn of the United States, a professor in Rhode Island. He has developed a technique based mostly on the work of a scientist at the atmospheric environment service in Downsview, where he takes air samples and analyses the amounts of trace elements like magnesium, manganadium, nickel or cobalt.

Based on this sort of elemental signature, he made the claim a number of months ago that he was quite sure he could see the influence in Rhode Island of certain sources, depending on which way the wind was blowing.

For instance, when the wind was blowing from the west, he thought he could see the influence of power plants in the Ohio Valley. When the wind was blowing from the north, he thought he could see the influence of Inco.

He phoned us and asked us for some of our metal emissions data from Inco and we sent him that information. Then he phoned us back and said: "It is very interesting. I am quite sure I can see the impact of Inco and it is very large."

We asked what the impact was and what date he thought he had observed it. He said it was in the 1978 and early 1979, and we told him that was when Inco was on strike.

There are a number of problems in his technique. Nevertheless, if you apply it correctly it is true that you can see some effect. When we have done the modelling, the effects at that distance from a source like Inco, depending on what the emissions are, would not be very large. They might be in the order of say one or two per cent or possibly less than that. I do not have the data with me, but I could probably provide it.

Mr. Elston: There was some information available, at least during the strike in 1978-79. I think the information we had available to us—in fact, it was provided by Dr. Parrott—indicated that with the effect of the shutdown it was a rather negligible factor as it related to the Muskoka area. Have you some comment with respect to those indications?

Dr. Van Volkenburgh: Our understanding of Inco's effect on Muskoka has proceeded in stages and has been based both on experimental studies, where we actually put monitors in the area and around Inco, and on the modelling.

In the first data set we looked at we just collected a lot of data when the wind was from the south or from the north and we looked at when Inco was operating and when it was shut down. We saw the first feature of the data was

very noisy, if you like. You might say about a level of five, plus or minus three.

There was a lot of variability, and when we looked at Inco operating and shut off, there was so much noise that we could not say with significance there was any difference. That surprised us as much as it surprised a number of people.

We went back and split up the data. We looked at northerly winds and southerly winds. What we found was that when the wind came from the north, the level of sulphur was a lot lower. If you took the northerly data, there was a lot less noise in it, and you could see an effect of Inco for that position. That effect was between 10 per cent and 20 per cent.

The data from the south showed there was a much higher level of sulphur, and you could still see the effect of Inco. It was a lot less when the wind was coming from the south. It was bringing a lot more pollution from the United States.

The reason why we got confused with our first data set was because we were mixing the high level with the low level, trying to average them all together, and were getting a lot of noise. Our end conclusion was that yes, there is an effect from Inco and it is not very large. Our modelling has agreed pretty well with the experimental data we have taken.

Mr. Elston: As far as going south of the border is concerned, the Inco effect is not as large as indicated by the doctor you previously mentioned.

Dr. Van Volkenburgh: That is correct.

Mr. Elston: One of the things that we get on an ongoing basis, especially from Mr. Macaulay at Hydro, is that there is a large source in the United States—that the US is a high percentage emitter as far as acid deposition in Ontario goes. In fact, he says it is between 60 to 88 per cent.

We asked some questions of the ministry on the Order Paper and the information we got was that the US was not responsible for that high percentage of acid precipitation.

Can you advise us why there is a differential between the two figures? Have you any idea of why the Order Paper material is more accurate than Hydro is?

Dr. Van Volkenburgh: The minister directed me to prepare a draft for the Order Paper, so I am familiar with that material.

Mr. Riddell: I thought he did that on his own. [Laughter.]

Hon. Mr. Norton: I happened to have a rather

busy day and I did not have time, so I asked Dr. Van Volkenburgh if he would help me out.

Dr. Van Volkenburgh: I can assure you though, he does edit it quite heavily.

If I could, I would like to back up for a moment and give you some feeling for how these estimates come about and why you might get this range of numbers.

First, you can develop an estimate of impact from experimental data. If you do that, the common technique is to put out some monitors for one or two years. Then you do some analysis of weather patterns, and you say, "Ah, when the wind comes from the south it looks like about 80 per cent of the material is associated with southerly winds, and when it comes from the north it looks like the other 20 per cent is coming from the north."

We did that for basically two or three years of data.

The problem you run into is you have to say, "80 per cent, plus or minus something," because in different years you have different kinds of weather. You can have a wet year; you can have a dry year; you can have a cold year if there are winds from the north or you can have a warm year if there are winds from the south.

10 p.m.

The experimental numbers have uncertainty. When you run a model the models have some uncertainty in them as well because the models have to approximate half a continent's worth of chemistry and meteorology.

They are pretty good at that, but there is some uncertainty associated with it. So when the scientists give you an answer they will say, "It is about 80 per cent with a range of maybe plus or minus 15 per cent," or, "60 per cent minus 15 or plus 30." There is always this error bar.

Now the figure of 80 per cent came from studies the ministry did. We said the material coming from the south into Muskoka was about 80 per cent of the material—not from the US but the south.

The model we have has three contributions in Muskoka. It has the US, Canada and something we call "other sources." The other sources consist of things like the Soviet Union, volcanoes, swamps, emissions in the western part of the United States or Canada that are not in our inventory and there is a bit of residual from emissions inside the area that we cannot account for. If you say the model does not seem to agree with the data or our model does not agree with

Ontario Hydro's estimate, you have to be a little careful and ask what percentage of what.

In our model, if you look at the man-made emissions in Canada and the United States, those are causing the problem because natural has sulphur in it and will deposit it, if you add those man-made emissions in Canada and United States and then take that as the total, say how much comes from the US and how much comes from Canada, the numbers indicate 38 per cent of the deposition is due to Canada and 62 per cent is due to the US.

There is some residual that comes from everywhere else, but you cannot say that is associated with anybody from the Soviet Union or anywhere. It depends on how you want to calculate percentages. I am not trying to be evasive or anything but it is percentage of what, if you like.

Mr. Elston: However, I would imagine you would stand by the figures the minister presented to us with your assistance as an accurate assessment of the—

Dr. Van Volkenburgh: It certainly is accurate an assessment as anyone else's. Our model has been compared internationally through the memorandum of intent working groups with about eight other models, both Canadian and US. Our model is as good as anyone else's. It is not to say it is perfect, but it is certainly the best we can do. We feel it is a good qualitative indicator of what is going on.

Mr. Elston: Something else that is interesting in one of the tables we received is that indicated the background—and I presume that is everything else—is responsible for between 27 per cent and 66 per cent of the total deposition. Why is that so high? It seems rather high to me.

Dr. Van Volkenburgh: Again, this is the danger of thinking only in terms of percentages. If you look at northwest Ontario or Michigan in the table the minister provided, you can see a lot of the deposition comes from what we call other sources or the background.

The absolute amount of material coming down up there is not very large. To put it another way, the amount from Canadian sources is tiny, the amount from US sources is tiny, the amount from the other source area is say much. When you add it all up and express it as a percentage, what you see is that because it is affected by man-made sources it has to be affected by natural sources and it is very large, it is on the order of 70 per cent.

If you go to somewhere like Pennsylvania, which is in the middle of the man-made emissions area, the man-made emissions dominate and the natural percentage or the other sources percentage drops down very low. The amount of other-source contribution is relatively constant across the whole part of North America, because the total is changing the percentages are all juggled around.

Mr. Elston: I noticed this particular table has a note attached to it. It says: "An approximate measure of possible error in these figures is plus or minus 100 per cent." Where does that leave you with accuracy?

Dr. Van Volkenburgh: If you have a number say 60 for the deposition, that says it could be as low as 30 or as high as 120. The expected value is 60, but you have to say there is a possibility it could be higher or lower. We have done a very complicated mathematical analysis of all the data and we can say that within 99 per cent probability it lies between those upper and lower bounds. That is why we say a factor of 10.

It is using statistics. We believe the number is about 60. Our agreement with experimental data is actually very good. Of course the experimental data has some uncertainty in it as well.

Hon. Mr. Norton: Perhaps I could just ask Dr. Van Volkenburgh before he leaves and on this same subject if he could—I think this was discussed within the last few weeks while you were in California. It was part of the answer on the Order Paper, so perhaps you were here at the time.

You will recall the geopolitical summary which shows the breakdown from Muskoka, Haliburton, Adirondacks, Algoma, etc. breaking out the Ontario contribution in terms of wet deposition from Canadian sources, US background, etc. Perhaps you would like to comment on the wet.

How close is that to the earlier figures in terms of the 20 per cent from Ontario sources versus 80 per cent in the Muskoka-Haliburton area? Have you addressed that? Do you want a copy of this just to refresh your memory?

Dr. Van Volkenburgh: We have so many models, I do not know which one it is you are talking about.

I see, the part due to Ontario depositions says 1.8 per cent?

Hon. Mr. Norton: Yes.

Dr. Van Volkenburgh: You have to add 50 per cent or 100 per cent high or low, but that

value is very close to the number we saw in our experimental studies coming from the north part of the province. A lot of Ontario's emissions are north of Muskoka. So it is not a bad comparison at all. It is not quite too good to be true, but it certainly encourages our theoreticians who are doing the modelling that that number does compare very well.

Some of the other numbers in other geographical regions also compare fairly well with some experimental data taken in both the United States and other provinces.

Hon. Mr. Norton: Before you leave would you care to comment briefly on the next generation of the model, just in terms of what it is hoped it might achieve in terms of greater sophistication? We are putting a significant amount of money into the development, along with other jurisdictions around the world.

Mr. Elston: At whose request? Was there a specific request source for the extra funding? Might the good doctor here who is in charge of it have put in a good-sized request for it?

Dr. Van Volkenburgh: No more than in other years, within our broad spending patterns.

One of the problems that has surfaced in the past year or so in looking at these models is the issue of uncertainty I talked about. Then there is another issue of whether the predictions are really indicative of all the chemical species in the air. There are other compounds like nitrogen oxides and hydrocarbons and oxides which tend to help convert some of the sulphur materials one way or the other.

There is a lot of concern in the atmospheric scientific community that because we are not modelling everything, we might not be getting a completely correct picture of what is going on. This is one reason why we have some of this uncertainty in the estimates.

10:10 p.m.

We have been working with other jurisdictions and thinking about developing another model over the space of two or three years which would include species like nitrogen oxides, hydrocarbons and ozone materials. The idea of this is to get a more comprehensive view of it, not only as the deposition of sulphur compounds but also to start to look at the long-range transport and impact from ozone. That is a problem of concern for the province. It is the hope that the next generation of models would not only look at sulphur but would look at these other materials.

Hon. Mr. Norton: The significance of what I have referred to as the next generation of modelling—I do not know whether that is the correct description—is rather great in terms of the international community. We have had a number of other countries expressing an interest in co-operating with us in the development of the model, including Sweden, some jurisdictions in the United States and West Germany as well.

At this stage, it appears we will still be bearing the lion's share of the cost of the development. They will be co-operating in technical fields and we hope at some stage perhaps financially as well.

Mr. Charlton: Mr. Chairman, I have one matter I would like to raise in this area. It goes back to a favourite topic of mine in my discussions with the minister over the course of the last two sets of estimates. It has to do with the ministry's public image—

Hon. Mr. Norton: This is only my second set of these estimates.

Mr. Charlton: This is my second set too.

Hon. Mr. Norton: You said the last two sets and I thought you meant—

Mr. Charlton: This one and the last one.

Hon. Mr. Norton: I see. Okay.

Mr. Charlton: It has to do with the ministry's public image and the way in which the ministry is dealing with environment questions, specifically the acid rain question in the most affected areas in the province. On Tuesday night, we discussed the reductions in acid emissions in this province over the course of the last decade and a number of other things.

I do not want to go through all of that again, but I understand the Parry Sound district municipal association has called for a public session with yourself and Mr. Roberts. First, I would like to know if you intend to be there.

Hon. Mr. Norton: Finish your question and then I will answer it.

Mr. Charlton: First, although I will admit there are, as I understand it, one or two NDP subversives in the area, it is my understanding that—

Hon. Mr. Norton: And a Liberal who might be NDP; I am not sure.

Mr. Charlton: I was not going to mention him at all, but you can throw it in.

Something in the neighbourhood of about 99.982 per cent of the municipal people in the

Parry Sound area are of your own breed, so to speak.

Interjections.

Hon. Mr. Norton: You mean they are all WASPs?

Mr. Charlton: Probably that too, yes.

Mr. Chairman: That will be reassuring to Ernie, I can assure you.

Hon. Mr. Norton: And it is a whole constituency of Nortons, is that right?

Mr. Charlton: At any rate you just want to make the point. You are getting comments about the ministry like—just to read a couple of them—"Your Contribution to Our Enlightenment," and "That Queen's Park Conspiracy of Silence Regarding Atmospheric Pollution," and those kinds of things being trotted out fairly regularly in the press.

They are coming from elected officials. It is not from just anyone who may not have been attempting to get information through regular channels to satisfy their concerns about progress in dealing with the problem and in understanding what the ministry has done, and is doing, and what the proposals for the future are and so on.

It comes back to what I started discussing last fall and what I raised a number of times about the very serious importance—as opposed to the discussion we had the other day about your campaigns—of very close, informative and public passing of information and discussions around what is happening.

Hon. Mr. Norton: The answer to the first part of your question is that I am working very closely with the member from that riding to try to find a date which would be acceptable both to the municipal association and to us so we can attend such a meeting. It is certainly my wish to do so.

You are quite correct in suggesting there is a level of concern there and it is partly because of the level of concern that exists in many communities across Ontario. The perceptions can be swayed very readily because there is a significant emotional content—and this is not a negative commentary—in people's reactions to what they perceive to be harmful to their environment, and understandably so.

I can only assume you may also have some knowledge of how that particular request arose. As I understand it, there was a meeting of the municipal association in that area, at which former candidate for the leadership of the provincial Liberal Party appeared. In his own

very persuasive and inflammatory style he raised concerns and proposed a motion. No one can understand how he could propose a motion if he was not a member of the association, but nevertheless he did.

Mr. Chairman: No one is acknowledging even inviting him, by the way. We are not sure how he got there.

Hon. Mr. Norton: I would not necessarily call it a subversive as you did, although—

Mr. Charlton: I was not referring to him as a subversive.

Hon. Mr. Norton: Oh, you were talking about NPPers in the area speaking subversively.

Mr. Charlton: I was just trying to find in terminology you might understand.

Hon. Mr. Norton: There are people who, in some instances for particularly deeply-held personal convictions and in other cases for what might be speculatively described as political opportunism, will play upon these kinds of issues and play upon the emotions they know exist with respect to the environment.

I will do whatever I can to inform, as fully as possible, that association or anyone else in that area. We have had seminars directed primarily to foreign visitors, but also involving local residents in the Muskoka area, with the very considerable support from local residents. I am not sure whether that type of thing is appropriate for all of the affected areas of the province, but when these kinds of situations arise, correct the record and getting accurate information before the people is necessary, and we will do it.

120 p.m.

I cannot assure you though that in the future there will not be others who wish to play with this issue in that way. It may happen again, in which case we will respond that governments in this country and those of us involved in government do not have that kind of control over the freedom of movement and speech of individuals and neither do I think we ought to.

If they choose to act in ways that might be less than fully responsible on issues like this, then we just have to live with that reality and try to assure the public of the correct information.

Mr. Charlton: I think I understand what you are saying about that aspect of it. From a couple of letters I have received and a couple of newspaper articles that were sent along with the letters, it is a clear indication to me of two things besides just Mr. Thomas—

Hon. Mr. Norton: I could not remember his name. Thank you.

Mr. Charlton: There is a clear indication of two things besides the issues he raised. One is that there is an indication, both in the letters and the articles, that a number of municipal people have been making attempts to get information and are not satisfied that they have been able to do so. That is one of the public relations problems I have been talking about. That is totally aside from any irresponsible action.

I do not want to name any members of your staff, but there was a member of your staff there. There are quotes like, "There is no way I have the answers." Your staff member apologized a number of times for being unable to answer questions from a number of association members. That kind of public relations has to be dealt with in a very positive and straightforward way.

Hon. Mr. Norton: I do not think anyone would expect that each and every employee of the ministry is equally expert and knowledgeable in all areas of environmental concern.

Mr. Charlton: Understood, but think about the situations we get into in the House. In a situation like that, if you do not know the answer and if you give an assurance that you are going to get it for them as quickly as possible, quite often that satisfies.

Hon. Mr. Norton: In fairness to employees of the ministry who may find themselves in that situation from time to time, I do not know, for example, whether that individual was invited to that meeting knowing that was specifically the subject that was to be discussed.

It may well be that had that been made clear the individual would have seen to it that someone who was more knowledgeable in that particular field of acid precipitation would have accompanied them.

Mr. Charlton: I understand that. That is the reason I did not use his name. I did not raise the question of the staff member and his responses with the intention of implying that he had done something improper in the sense that he should have been able to answer the question. I do not know the gentleman myself and I do not know his area of responsibility.

The point I wanted to make is the way he responded. That again leaves the same taste that these people who claim—I cannot even speak for what efforts they have made to get information; all I am talking about is the public impression that is left by this kind of stuff.

They claim they have made efforts to get information; they ask him the questions and they get a response that he does not have any answers. There is no indication left with them that the answers are forthcoming, that is the problem.

I did not raise the subject of the staff person in order to cause any problems for him, but to bring up what I think is a very important aspect of the ministry that I see as being seriously lacking on a continuing basis.

There was one other matter I wanted to raise with you. We had a fairly lengthy discussion in November about educating the public on environmental matters. One of the letters I received about this meeting suggested that it might be appropriate if the people from the local school boards in the Parry Sound area were invited to this meeting as well, because the education system in our province is one of the existing structures we have for disseminating some of this information in a reasonable and accurate way.

It is a suggestion that might be worth considering on your part when you are going through the process of setting up this meeting.

Hon. Mr. Norton: I am sorry. What was the question?

Mr. Charlton: It was not a question, it was a suggestion from one of the letters I received. It was a suggestion that the trustees and school board officials from the Parry Sound area be invited to this meeting as well.

Hon. Mr. Norton: It may well be that what we ought to try to set up may be a worthwhile allocation of staff time, although staff are very often stressed to the limit because of the heavy responsibilities they are already carrying.

Mr. Charlton: In restraint.

Hon. Mr. Norton: Sure. I mean, we are functioning under restraint conditions, but very well nevertheless.

We should establish a team to go into some of these communities, not just to Parry Sound but to others. We have been to Muskoka, Bracebridge and Haliburton, and held open house information sessions where people came and had their concerns and questions answered satisfactorily, as far as I am aware.

There were people like Dr. Tom Bridges, who is the limnologist with the ministry. He was heavily involved in the research on the aquatic

effects of acid precipitation, which is obviously a primary concern in those communities.

Perhaps we ought to expand upon that and to touch base with the residents of other communities. I think it is well worth exploration.

Mr. Chairman: Is there anything else on vote 2102, item 2?

Does the committee wish to discuss where wants to go from here as far as next Tuesday goes? I have John Williams down on item 3. I hesitate to suggest that we are going to finish item 3 tonight.

Mr. Williams: I would move the adjournment, Mr. Chairman, and start with item 3 next week.

Mr. Chairman: I am just searching for a little direction on the whole vote. Is it next Tuesday that Dr. Chant is coming?

Hon. Mr. Norton: He will be here next Tuesday.

Mr. Chairman: Is it safe to say that it looks like you might spend half the time on the rest of this vote, the other half on vote 2104 and very little on vote 2103? Does that look like the way it is going to go?

Do you want to think about it and let me know at the start of the next meeting how you wish to go next Tuesday night?

Mr. G. I. Miller: How many more meetings are there?

Mr. Chairman: One.

Mr. Charlton: I only have one major concern under vote 2103, so that rough division would not be totally upsetting to me as long as I have enough time to reach the one matter under 2103.

Mr. Chairman: So everyone has an idea where they are, Mr. Charlton has one under 2103. Does anybody else have much on 2103?

Mr. Williams: I indicated, Mr. Chairman—

Mr. Chairman: Was it vote 2102, item 3 you wanted to speak on, or was it vote 2103?

Mr. Williams: Item 3 on this vote.

Mr. Chairman: Vote 2102, item 3? Right? I am trying to give some direction so the critics and staff know where they might be heading the next night.

Mr. G. I. Miller: I have one more question on pollution control planning under vote 2103, item 4.

Mr. Chairman: Okay, when we come back we will be on vote 2102, item 3. Everyone has his own idea of where it is going to go. Do you have a collective sense of where the next meeting will be?

Mr. Riddell: Let us cross the bridges when we come to them.

Mr. Chairman: Okay. At 10:25 next Tuesday night you will all tell me I should have done it differently.

The committee adjourned at 10:32 p.m.

CONTENTS

Thursday, June 3, 1982

Environmental assessment and planning program:	R-223
Program administration.	R-223
Air resources.	R-231
Adjournment.	R-247

SPEAKERS IN THIS ISSUE

Carlton, B. A. (Hamilton Mountain NDP)
 Euston, M. J. (Huron-Bruce L)
 Gellies, P. A. (Brantford PC)
 Harris, M. D.; Chairman (Nipissing PC)
 Hslyn, A. (Lakeshore PC)
 Hughren, F. (Nickel Belt NDP)
 Miller, G. I. (Haldimand-Norfolk L)
 Morton, Hon. K. C.; Minister of the Environment (Kingston and the Islands PC)
 Reed, J. A. (Halton-Burlington L)
 Riddell, J. K. (Huron-Middlesex L)
 Stevenson, K. R. (Durham-York PC)
 Williams, J. (Orillia PC)

From the Ministry of the Environment:

Bowley, W. B., Executive Director, Resources Management
 Gles, J. W., Assistant Deputy Minister, Environmental Assessment and Planning Division
 Macfarlane, C. J., Director, Waste Management Branch, Resources Management
 Martin, C. B., Supervisor, Emission Technology and Regulation Development Section, Air Resources Branch, Resources Management
 Van Volkenburgh, Dr. G., Director, Air Resources Branch, Resources Management



No. R-10

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Resources Development
Estimates, Ministry of the Environment



Second Session, Thirty-Second Parliament
Tuesday, June 8, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.



LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Tuesday, June 8, 1982

The committee met at 8:05 p.m. in room 228.

ESTIMATES, MINISTRY OF THE ENVIRONMENT (concluded)

On vote 2102, environmental assessment and planning program; item 3, water resources:

Mr. Chairman: I call the meeting to order. Where are we?

Mr. Williams: Mr. Chairman, if you recall, I had indicated an interest in speaking to item 3, vote 2102, water resources activity.

Mr. Chairman: Yes. We had completed item 3, as I understood it, at the last meeting.

Mr. Williams: Right.

Interjections.

Mr. Chairman: I do not mind if we want to take 30 seconds to talk about where we are going. This is the last evening.

Mr. Elston: Mr. Chairman, since Dr. Chant is here, I think it is important that we give him some time, at least half an hour at the end, to make a presentation to the committee about something I would say is very important to the province.

Mr. Chairman: Are we agreed that regardless of where we are and who is speaking, you would like the chair to reserve at least a half hour for Dr. Chant at the end?

Hon. Mr. Norton: He is here and ready to go.

Mr. Chairman: I know that probably we are going to be tight for time. I believe I have two speakers on item 3 so far and the first was John Williams.

Mr. Williams: Mr. Chairman, there are just a couple of areas I would like to spend some time on. First is an area that is of considerable concern to me and other members within the Metropolitan Toronto area. This relates to water resources activity, particularly in connection with the Toronto area watershed study.

At the outset, I would like to determine the status of this particular project. I was particularly taken with this matter when you referred to it, Mr. Minister, in your opening statement, on pages 61 through 64. Perhaps, before I get into some specific details on it, you can indicate the

commencement date of this study, as far as arrangements with the local authorities were concerned, and I assume this includes the Metropolitan Toronto and Region Conservation Authority, the proposed duration of that study and the funding arrangements with regard to that study.

Hon. Mr. Norton: Mr. Chairman, perhaps it would be an appropriate time to ask Mr. Don Jeffs, who is the director of our water resources branch, if he would like to come forward. He could give whatever detail the members of the committee would like on this particular study.

8:10 p.m.

Mr. Jeffs: Thank you, Mr. Minister. Mr. Chairman, Mr. Salbach, who is the chairman of the co-ordinating group, is also here tonight if you want some further detail.

Last year, we commenced the assembly of basic information about the quality of the streams draining into Lake Ontario. We had been involved, of course, for many years in the evaluation of the quality of the lake itself and in the areas adjacent to the beaches throughout the Toronto waterfront area.

We reached agreement with the Metropolitan Toronto and Region Conservation Authority for them to provide certain staff activities this year, and we are funding people working on the study who are employed by the authority. We met in May with the representatives of various municipalities, the boroughs and the city, and with representatives of the Metropolitan Toronto and Region Conservation Authority to discuss the plans and to have their ideas on what should be done in order to evaluate the water quality conditions, and to look for ways to improve them and bring about a comprehensive focus on both the problems and the solutions for the Mimico Creek, the Humber River and the Don River.

Mr. Williams: You are talking about this past month.

Mr. Jeffs: Yes.

Mr. Williams: Was this, in effect, the first organizational meeting of the study group for this particular project?

Mr. Jeffs: Yes, that is correct.

Mr. Williams: Okay.

Mr. Jeffs: Information was assembled on the basic conditions, and after the period of assembling the information we then had the organizational meeting.

Mr. Williams: What is the proposed duration of the study, and what financial support is the province giving to this study?

Mr. Jeffs: It will be a five-year study with interim reports coming out on conditions and progress as we go through each of the years, and we are providing approximately \$300,000 per year.

Mr. Williams: How much?

Mr. Jeffs: We are providing \$300,000 per year for the study.

Mr. Williams: I see. All right.

Mr. Minister, when you referred to this study in your opening statement, I commented at the time that I felt we had probably shortchanged the Metropolitan Toronto and Region Conservation Authority. I was referring to the significant involvement they would have in this undertaking, which in itself is really a continuation of work that was carried on in the past by the authority, possibly with and possibly without the same degree of sophistication that I gather is proposed to be applied to this particular study.

But it was my understanding—and Mr. Jeffs, you suggested this and perhaps you could elaborate—that the authority has historically been involved in a number of water quality control and related programs. Is that not so? I also understand they have been providing to your ministry a considerable amount of information over the past few years in that area. Can you comment on that?

Mr. Jeffs: Yes. Authorities typically do quite a lot of the water quality monitoring for us in the streams within the area of their particular authority. The Metropolitan Toronto and Region Conservation Authority has been most active over the last two or three years in developing a watershed management study with emphasis on flood control and erosion protection. Of course, they were the first authority in the province, I believe, to come forth with a watershed management plan oriented towards flood control and erosion and stream flow aspects. It is now that we have the comprehensive study going jointly among the province and the authority and the various boroughs that they will come much more heavily into the water quality side. We will have an agreement drawn up between

our ministry and the authority for it to carry out part of the study.

Mr. Williams: That shoreline program was part of the 10-year program that was developed back in the early 1970s, wasn't it?

Mr. Jeffs: Yes, the shoreline program. They have done quite a lot of work in terms of the lake itself in looking at the effects of landfilling activities on sediment quality around the operations where they put fill into the lake. So they have been actively involved along the lakefront, as you are indicating.

Mr. Williams: That is particularly with regard to the Humber and Don watersheds, where they have been doing sediment quantity and quality control studies?

Mr. Jeffs: They have also been responsible for putting fill into the lake. Our ministry has also done a number of the samples in the lake itself.

Mr. Williams: Do you also co-operate with the authority on monitoring the quality of the fish in the lake? I know this has been very much in the news in recent times and samplings have been done, not only down in the Niagara River area but throughout the lake. The dioxin problem seemed to surface as a very significant situation in the Port Credit area, which was of some surprise to you at the time you made the report to the House. Do you know if the conservation authority, through its resources and personnel, has been part of the monitorings that have been going on in this part of Lake Ontario?

Mr. Jeffs: I will have to ask for some clarification on that. Traditionally, samples are collected by the Ministry of Natural Resources after consultation between our ministry and the Ministry of Natural Resources and the regional and district offices of all those groups. There is a plan laid out whereby samples will be collected. The Ministry of Natural Resources does the collecting and our ministry does the analysis. I am not sure whether the conservation authority is involved in regard to the fish. No.

Mr. Elston: Who makes the announcement? Interjections.

Mr. Williams: The conservation authority's watershed plans and studies, as you have indicated, have been involved in three main areas. Isn't the erosion and sediment control program one in which you are relying largely on the authority for background information, using its resources, staff and technology to do that study? Or are you going to be enriching and enlarging

upon what it is doing with more intensive study, is part of this new program?

Mr. Jeffs: We will not be enlarging on the erosion study in terms of the area immediately adjacent to the creek, or the area adjacent to the lake, but in regard to the urban development and the erosion that comes when new developments are put in, roads are put in, houses or factories are put in. There will be a component of the study looking at that, which in essence will be an enrichment funded by our ministry. It is a relatively small component of the study.

Mr. Williams: I guess that overlaps with their storm water management activities, which really are inter-related. Are you saying the emphasis will be put more on storm water management studies?

Mr. Jeffs: It is to improve the quality of storm water runoff and the runoff going into the streams.

2:20 p.m.

Mr. Williams: Something that has always concerned me, which I do not think has ever been satisfactorily resolved, at least not to my knowledge, is that the municipalities within Metropolitan Toronto, the Metropolitan Toronto Corporation, and the constituent municipalities, all seem to have been guilty of generating a great deal of pollution by their winter snow removal program and the dumping of tons of snow on the banks of the Don and the Humber, using these areas as storage areas for snow. The great quantities of salt mixed in with the snow are filtering into the watershed.

I think it was two or three years ago that the amount of salt getting into the lake was of considerable concern. I do not know what remedial measures or steps have been taken to try to minimize and reduce the amount of pollution from that source. There is no evidence from what I have seen that these storage areas have been relocated or that the quantity of snow put into those storage areas has been reduced.

Whether one is driving down the Don Valley Parkway and looking at the old, used landfill site or completed landfill site where they store great quantities of snow, or farther down by the Bloor cutoff, one sees great quantities of snow piled up during the winter. These have always been additional locations for this storage. What is the current situation with regard to our environmental concerns and what the municipalities are doing in this area?

Mr. Jeffs: The storage areas are used to allow the heavy metals, the dust and dirt which is in

the snow that is removed from the roads to stay in place in the soil and not reach the streams. As you have identified correctly, these storage areas do not prevent salt, chlorides and sodium reaching the streams. They do reach the streams in the Metro Toronto area. Then they are carried out during periods of higher flow into the Great Lakes. There is a significant elevation of chloride levels in the streams, but it is one which we have not found to be unduly severe in terms of the biota.

Mr. Williams: Has any consideration been given to storage sites that would be farther removed from the banks of the Don or the Humber or whatever which would tend to reduce the amounts of salt and chlorides getting into the rivers because they would be set back from the river banks?

Mr. Jeffs: Because melting occurs during the spring runoff period when the ground is either frozen or saturated from rain and melting snow, moving them farther away would not have a significant effect on the chloride levels. Instead, the approach to be used is to have the municipalities reduce their use of salt as much as possible so that salt is supplied only in the amounts needed to remove the snow and ice. We have a committee with the Ministry of Transportation and Communications. It has an active program of advising on the correct application rates for salt and on not using excessive salt.

Mr. Williams: Even if that arrangement were entered into and the storage areas were set farther back, I suppose it would just mean that the soil would become contaminated rather than the water. The salt waste would seep into the soil rather than into the tributaries of the Don and Humber.

Mr. Jeffs: There might be additional seepage into the soil, but at that time of year most of the water, even if one had the sites a fair distance back, would run off into the streams because the ground itself is saturated and most of the added runoff from the snow melt-pile will reach the stream itself.

Mr. Williams: The only real remedial activity to date is a request to the municipalities to reduce the amounts of salt they are using.

Mr. Jeffs: Yes. It is to control the amount they are using to the amount required to remove the snow and ice. The other remedial measure is the use of the storage areas to prevent the entry of lead, zinc, cadmium, ground-up pieces of rubber and all those sorts of things into the streams.

Mr. Williams: What have been the measurable quantities that have seeped into the lake in the spring of each year? Have you been able to identify on an averaging basis what amount of pollution is taking place in this area? You indicated it was minimal. I can appreciate it might be, given the large body of water. Nevertheless, there is, I presume, an identifiable and measurable quantity of pollution taking place.

Mr. Jeffs: We have identified the amount that is moving down the river. That is clearly identifiable, the amount that goes down the Don River. We have an elevation in the chloride levels to about 250 parts per million, on the average, and sometimes going above that for short periods of time. I cannot tell you the effect on Lake Ontario itself.

John, could you give me the increase in chloride levels in Lake Ontario where the rivers enter it?

I am not sure whether one of our other staff members, John Kinkead has that information here.

Mr. Williams: As he is coming forward, what degree of salt pollution in the lake along the immediate lakeshore area would have an adverse effect on the fish life in the lake or any of the other natural activities going on in the lake?

Mr. Kinkead: It is hard to separate on a yearly average the chloride input as measured in Lake Ontario which would have come from road salt and from other sources, but suffice it to say the chloride content of Lake Ontario has in fact been decreasing since the late 1960s. It is at a plateau level now. From the level of increase that occurs in the spring because of the snow runoff, we have not observed levels which would be considered harmful to aquatic life in the near-shore zone.

Mr. Williams: So they are still at acceptable levels even though they peak in the spring period.

Mr. Kinkead: Yes, that is right.

Mr. Williams: Will this particular source of pollution be part of the study you are undertaking, or do you feel you are at a dead end as far as finding any alternatives to removing this form of contamination?

Mr. Jeffs: We did a detailed evaluation of the chloride runoff due to snow melting and road icing operations several years ago. I do not think this would be a major component of the present study because in essence we know the control measure which can be effective is the one we

discussed previously: limit the use as much as feasible.

Mr. Williams: There is just one area I want to touch on briefly, if I might. I was wondering about the current status with regard to your ministry and this government and its dealings and involvement with the International Joint Commission under its water quality control agreements.

I understand and appreciate that it is primarily an arrangement between the governments of the United States and Canada at the federal level, but nevertheless, I do believe that the provinces along the common boundary line do have some involvement. I believe we have a formal agreement, as a province in its own right, with the International Joint Commission supplementary to the federal arrangements. Could you indicate the current status? Am I correct in those observations?

Hon. Mr. Norton: You are correct in your observations. We have active involvement in serving on committees under the International Joint Commission. Some of the staff of the ministry are regularly involved.

8:30 p.m.

By virtue of our proximity to the Great Lakes, we have a separate agreement with Canada which enables us to carry out our responsibilities under the international agreement. Those agreements are in the midst of being revised and updated. We had an official signing set up for a week ago for the Canada-Ontario agreement, but it was delayed because of the problem of getting four ministers, two federal and two provincial, together at the same time.

Mr. Elston: We had better luck getting four provincial ministers together at Sault Ste. Marie.

Hon. Mr. Norton: That is right. We are always better co-ordinated at the provincial level than our federal counterparts. We had also set up another signing for this coming Saturday morning which I understand is now not going to be possible.

Perhaps I could ask the assistant deputy minister, Walter Giles, who has had involvement with this over the years, to bring you more precisely up to date on where it is at the moment, and where our involvement has been.

Mr. Giles: Under the water quality agreement that was signed originally in 1972 and revised and signed again in 1978, there is provision for a water quality board and a science advisory board which consists of staff from the US federal government, the federal government of

Canada and the province. We have four members on that water quality board, and also members on the scientific advisory board. They are the means by which the facts are made known to the International Joint Commission about the quality of the lake on an ongoing, year-to-year basis.

We gather the information in the province and in the lakes through the means of a monitoring program which is administered by the Canada-Ontario Agreement Review Board, which consists of federal and provincial staff. I am co-chairman of that board with the regional director general of Environment Canada.

Our task is to see that the work required under the water quality agreement is in fact carried out by the governments. This is provided for in the Canada-Ontario agreement to which the minister referred, in which we detail all the activities that we will be carrying on in fulfilment of the water quality agreement that is signed between the two countries. So we have a detailed involvement in all the activity that is going on in the Great Lakes cleanup program.

Mr. Williams: Within the terms of reference of that board, what are the current priorities and initiatives being taken by the board?

Mr. Giles: The primary activity we fund jointly is that of monitoring the water quality so that we have an extensive program. Our job is monitoring the near-shore waters and the federal job is the centre of the lake or the deeper waters.

We report, annually, on the quality of the water in the different locations that we monitor. This program requires in the order of \$2.4 million combined federal-provincial dollars for the monitoring program.

A good deal of the activity of the ministry is really directed towards the cleanup of the Great Lakes, when you think about it, because the extensive construction program we have with the municipalities in the province is really aimed at cleaning up the effluents so that the quality of the Great Lakes improves, as it has been doing now for 10 years.

Mr. Williams: There is one thing I was not clear on. Is entering into these new agreements simply to extend the existing agreements, given they had expired, or to broaden terms of reference? What were the specific purposes of the new agreements?

Mr. Giles: Very much broadened terms of reference. The first agreement in 1972 was aimed primarily at removing the phosphorus from the lakes and tackling that particular

problem. Since that time, of course, a great many more contaminants and toxic substances have been identified as problems and the agreement has been extended to include those types of activities.

Mr. Williams: But that was in 1978 again that the terms of reference were broadened, as I understand it. Do the new agreements you are going to enter into give you some further broadening of your terms of responsibility?

Mr. Giles: Yes. Basically, the current Canada-Ontario agreement is intended to fulfil the requirements established by the Canada-US water quality agreement. We are getting into activities such as control of pollution from pest control products and animal wastes, handling and disposal of liquid and solid waste, erosion control—all those types of activities.

For example, the Ministry of Agriculture and Food has a program that is part of our total approach to this situation, in which it is improving farming practices; this, in turn, is contributing to the elimination of some of the phosphorus that is making its way into the lakes from dispersed sources, such as those created by agricultural or forestry practices.

Mr. Williams: Do we have within the ministry a specific branch or division set aside exclusively for working within the terms of this agreement? Do you have certain staff assigned on a full-time basis to the carrying-out and discharging of duties under that agreement, or is it just an integral part of their ongoing work within the ministry's activities?

Mr. Giles: There is a group within the water resources branch that is concerned with the monitoring activity, but many of the other activities of the ministry are related. We have a co-ordinating type of committee, which really is this Canada-Ontario Agreement Review Board, that brings together representatives of the other branches in our ministry and various parts of the federal government that are involved.

Mr. Williams: Will the new agreement that is being entered into necessarily mean the seconding of additional staff, equipment or other resources to accelerate the activities under the agreement?

Mr. Giles: Not specifically directed towards the agreement but in general for the development of our hazardous contaminants program and our waste site review program; all these activities have the end result of improved environmental conditions, all of which will again contribute to the cleanup of the Great Lakes.

Mr. Williams: Is there a requirement under the agreement that you report on an annual basis to the federal authorities and to the commission as a whole?

Mr. Giles: An annual report goes into the commission. In recent years they have decided that they would have a very detailed report every second year and an interim progress report in the intervening year.

Mr. Williams: Are you satisfied with the progress that has been made to date as far as Ontario's commitment is concerned?

Mr. Giles: Yes. I think we are living up to our obligations.

Mr. Elston: Did you expect him to say no?

Mr. Williams: I didn't know. I didn't know whether he was expecting to be questioned on this. To most of us it might be an obscure part of the ministry's ongoing work but it is nevertheless a very important part. I appreciate being brought up to date and told where we stand in this regard.

Hon. Mr. Norton: Mr. Chairman, if there are any members of the committee who would be interested in seeing any of our very fine fleet, headed up by our flagship, Guardian 1, which is in essence a floating laboratory, I am sure we could arrange that at any time. But these days I feel almost compelled to hasten to say, although it is not true, that in times of international conflict they can be converted quickly to hospital ships or something like that.

Mr. Williams: How many ships are in the fleet?

Hon. Mr. Norton: I don't know.

Mr. Williams: There is a flagship, period?

Hon. Mr. Norton: Oh, no. There are four.

Mr. Williams: Where are they stationed?

Hon. Mr. Norton: Don, could you detail where they are? I didn't realize what I was opening. I know where some of them are. The Guardian is located here in Toronto, I think, and works all over the Great Lakes.

8:40 p.m.

Mr. Jeffs: We have one ship very actively involved in monitoring in the Niagara river. We have another actively involved in the Lake Ontario monitoring this year. We have a relatively small third ship, which is really a very large boat, which we trailer around to places such as Sault Ste. Marie to monitor the St. Marys River. We have one ship that is basically

on standby for extra sampling or to use if one of our other ships has engine trouble.

Mr. Williams: Are they all engaged in essentially the same work of monitoring?

Mr. Jeffs: Yes. We are also monitoring the St. Clair River and parts of Lake Erie so we move them around, but there is one ship focusing on Lake Ontario and one on the Niagara River.

Mr. Martel: Who is the admiral of this fleet?

Mr. Jeffs: He is a captain.

Mr. Martel: I thought maybe an admiral or something—

Mr. Jeffs: We should have one. Maybe we will elevate him.

Hon. Mr. Norton: I have been trying to get an honorary admiral's uniform ever since I came to the ministry.

Mr. Martel: You can borrow one. It would look good on you, Keith.

Hon. Mr. Norton: Actually I am going to one of these costume houses in Toronto one of these days and I am going to get one.

Mr. Kolyn: I have a question for the minister. Mr. Minister, I am interested in the marshland projects your ministry has been involved in. I would certainly like to know what the results have been from using wetlands for the treatment of waste water.

Hon. Mr. Norton: There are some areas in which it appears to be quite successful. I will ask Don Jeffs, whose branch has been directly involved in this. Don, would you like to deal with this question in some detail, please?

Mr. Jeffs: In general, we have found that the marshlands we have been using, primarily to improve the effluent from a sewage lagoon, have brought about a large reduction in phosphorus concentrations. But the phosphorus concentration in the water, after it has gone through the marshland which we built, was found to be very much lower than comes from a sewage lagoon, removing in the order of about 75 to 85 per cent of the phosphorus in the effluent which otherwise would have come from the sewage lagoon.

Phosphorus, of course, is a nutrient which promotes the growth of aquatic plants and algae in streams and rivers below sewage outfalls. Removal of it is very important in terms of improving the water quality in the stream.

We have had successful operations throughout the summer, fall and winter periods as well as the spring; in other words, on a year-round basis. There have been a few minor problems in

terms of the rate at which effluent can be moved through the marshland and still have good removal, but those are operating problems which are coming under control well.

Mr. Kolyn: Does the cold weather affect the amount of effluent you can move through, say in northern Ontario in comparison with southern Ontario where it does not get as cold?

Mr. Jeffs: Yes, the removal rates would be less effective in the cold weather, basically, so that you cannot pass as much effluent through the marsh.

Mr. Kolyn: What are we spending on this particular brand of water resources? I cannot seem to find it in the estimates.

Mr. Jeffs: The experimental marsh project at Listowel is funded partly by the research advisory committee, from Provincial Lottery funds. The amount funded there is about \$23,000 per year. We have two people working on this project from our own staff funded out of the regular program. In total, we are talking here of somewhere in the neighbourhood of \$60,000 or \$70,000 plus additional funds made available for consultant's contract to look at the effectiveness of existing marshes, which have received effluent in various locations around the province, in improving the quality. That contract is about \$50,000, so we are talking in the range of \$110,000 per year.

Mr. Kolyn: Mr. Minister, I would like to ask a question relevant to the Kawartha Lakes district, which I am familiar with. I don't know whether your ministry can answer it. As you are well aware, watermilfoil seems to be a problem in late July and it seems to be getting more and more difficult to get the boats to go through the lakes. Are we combating this problem in any way at the present time?

Hon. Mr. Norton: I think Don perhaps can deal with this one as well.

Mr. Jeffs: The ministry carried out an extensive program to determine whether the harvesting of product weeds could be done in a manner which would not cause harm to fish and other biota in the lakes. We found that harvesting by cutting and removal of the weeds from the lakes was quite successful in improving access and was not harming fish. That was a research program of about three years' duration and we carried it on one further year as a demonstration project.

At that time the research aspects were complete, reports were issued and the question of whether or not aquatic weeds should be har-

vested was turned back to the municipalities, in essence. If the municipalities wish to harvest them, they can. That leads to the question of how the harvesting should go on, what you should do about the control of the weeds and these types of matters.

We established jointly with the Ministry of Natural Resources, Environment Canada and our own ministry, a committee to develop guidelines for the control of aquatic weed harvesting operations. That committee has now prepared a report with draft guidelines, which are just being subjected to final review. Those guidelines would then be issued as an indicator to whoever operates aquatic weed harvesting equipment of how they should go about it and what they must consider: they must not harvest where there are endangered species, etc., or in rice areas and so on. Those guidelines will be issued later this year.

Mr. Kolyn: Thank you. I just have one more small question. Are we continuing to support construction of municipal water and sewer systems as we have done in the past? Is the funding level as high?

Hon. Mr. Norton: The formula has not changed, if that is what you mean. The level of funding has been escalating, I guess. The answer to your question is yes.

Mr. Kolyn: Thank you.

Hon. Mr. Norton: We had some difficulty last year, as you may recall, with the termination of the community services contribution program in the latter part of the year with very little warning—in fact none—and that created some problems, particularly in the short term with municipalities who had projects under way when the federal portion of the funding was terminated.

We were successful in getting the federal government to introduce some additional funding, I think a total of about \$65 million to address particularly sewage treatment, not water purification, in the Great Lakes basin only, because of the obligations under the international agreement with respect to Great Lakes water quality. That has helped to put a number of the projects back on track.

In some instances we have tried to provide for some enrichment of the funding, in those cases where municipalities previously would have been eligible, by doing our calculations based on gross as opposed to net. That means that the costs to the municipalities may be marginally higher. We are making a marginally higher

contribution and projects are going ahead much as they were before, but many of them without federal funding through CSCP as was the case previously.

Mr. Kolyn: Thank you, Mr. Minister, and Mr. Chairman.

Mr. G. I. Miller: As a supplementary: Is there any funding at all from the federal level at the present time?

Hon. Mr. Norton: There is \$65 million over three years, only for sewage treatment in the Great Lakes basin.

Mr. G. I. Miller: What is the percentage? How is it worked on a percentage basis with the municipalities. Do you have a formula on that?

Hon. Mr. Norton: There is a formula which allows us, in cases of smaller municipalities, to go up to a maximum of 75 per cent. It is based upon population size and the percentage would vary depending upon the number of households, the distances between households and so on. That doesn't mean everybody gets 75 per cent. As I say, it depends upon the calculations, but the maximum we can go to is 75 per cent in the smaller municipalities. For larger municipalities we could go up to 15 per cent. There are other programs as well, with up-front grants and so on, that don't work on that formula. I think the most common approach we would be familiar with would be that formula.

8:50 p.m.

Mr. Elston: I just have some quick questions. They really would have been supplementary to Mr. Williams but I didn't want to interrupt his fine train of thought because he asked some very cogent questions. One is on dioxin concerning the reports which you released. I know that you are concerned about the levels, which have been increasing from July 1981 right through to April 1982 when your testing finished. Can you tell us if you feel this suggests an upward trend in the concentrations now in the lakes or are you waiting for results of another study or more study results before you can tell us for sure about the trend of dioxin in the lakes?

Hon. Mr. Norton: First of all, I will point out that the most recent results that were released were based upon samples that were taken in 1981. The testing was completed and the results compiled ready for release in 1982, but they are not 1982 samples.

Mr. Elston: It was finished in November 1981 then?

Hon. Mr. Norton: Yes. I don't think that we can determine with any degree of certainty that there is a trend at this point. I think further testing is going to be necessary to determine whether that is the trend. As you know, the 1981 samples indicated higher levels for the first-time levels that in some instances were significantly higher than the standard. That is worrisome but I don't think that from one year's testing alone we can determine that is a long-term trend. That would be my opinion and I am not a scientist.

Mr. Elston: To move on, I have one question concerning the International Joint Commission. We have been particularly interested in the Hamilton harbour and Windermere basin area and I am wondering if the ministry has any plans for the cleanup of that area currently at hand?

Hon. Mr. Norton: I might call on Grant Mills to provide you with some further detail on that. There is a report on the harbour which is going through its final drafting at this stage. There was a draft completed. Then at the completion of the draft, the person who was working on it I believe was snapped up by the federal government. Now we have someone else working on the final draft of the report.

Following the completion of that, it would be our intention to consult with the community on the basis of that report. I really think the kinds of measures that may be determined for the harbour, and for the basin as well, depend very much upon what the community wants of that harbour. For example, the basin may have a very useful long-term function in terms of protecting the harbour and that may be something which has to be looked at. On the other hand, if the community expects to have a fishery in the harbour, that dictates a particular direction in the kind of approach that would be taken.

Mr. Elston: Are you considering leaving it as it is now? Is that what I am hearing?

Hon. Mr. Norton: No. One thing that is becoming quite clear is that the harbour is not as bad as most people would think. I do not know whether you would agree with that or not.

Mr. Elston: But you are not saying it is not in a poor state, I take it? You are saying maybe it is in a better condition than some people would think.

Hon. Mr. Norton: Yes, again depending upon the use the people expect of that harbour. That will determine what kind of measures may be dictated in terms of the future.

You asked if we had any plans. At this point,

we do not have any predetermined plans as to what ought to be done because that will be dictated in part by that community. To a very significant extent, it is the responsibility of that community not only to make that decision but also, with our assistance, to carry out whatever steps it feels are appropriate.

Mr. Elston: Before we hear from Mr. Mills, do you have a deadline or at least an anticipated date for the release of the report?

Hon. Mr. Norton: I do not know exactly how long it will take. Do you have any idea on that, Mr. Grant?

Mr. Mills: No, I would not want to put a figure on it.

Again, it is not going into solutions as such. A lot of people are anticipating that is what will result from the study and the report. What it does is identify the various sources of input from which a decision will have to be made as to whether you dredge it and, if you dredge it, where you put it. Certainly, the sediments are not suitable for open water disposal. We would estimate that close to a million cubic yards of sediment have been deposited in the Windermere basin over the last 50 to 70 years.

Mr. Elston: So far, we have not really heard very much about that. We heard about some of the findings that had been contained in an unreleased report. Are you able to verify that there are polychlorinated biphenyl concentrations of over 200 times the Ministry of the Environment guidelines?

Mr. Mills: What guideline? For open water disposal, for drinking water?

Mr. Elston: I understood the open water.

Mr. Mills: I am not sure what the guideline is. Such a concentration of PCBs would have to be confined. It would have to be land disposal.

Mr. Elston: So if you were going to clean up that water, dredging would be the only way once you came up with those concentrations?

Mr. Mills: Yes, right.

Hon. Mr. Norton: May I just inject something here. You said, "The cleanup of the water." I think it is important to understand that PCBs are not present in the water, but they are present in the sediment. That is another matter that has to be looked at very carefully, whether they are harmful or not in that particular location. There are all kinds of things one would find in sediment or soil under normal conditions which may be better off left there. Again, it depends

upon the use people expect to make of the basin.

Mr. Mills: It is an aesthetic problem more than—

Mr. Elston: More than hazardous to health?

Mr. Mills: Yes, right. There was some thought, some speculation and very strong suggestions, about a year ago, that the sediments were being translocated—they were finding them farther out in the bottom of the harbour—and that they would indeed have an impact on the quality of Hamilton's drinking water. However, that is not the case at all.

Mr. Elston: Have you done any studies on migration or lack of migration?

Mr. Mills: Yes.

Mr. Elston: How many studies have you conducted in the last year or so in relation to that? Is it a continuing process?

Mr. Mills: No, we have not done sediment sampling this year. The water resources branch is also involved in the study. We are now coming to grips with it. We have a computer simulation model of the main harbour itself. We are developing that model so we can do various load inputs to the system on a theoretical basis and calculate what the impact would be if we were to reduce the combined sewer overflows, sewage treatment plants, industrial discharges and those sorts of things. It is determining a cause-and-effect relationship and what is likely to happen to the harbour if certain actions are taken.

Mr. Elston: How did you establish your computer model?

Mr. Mills: You will have to ask somebody else on that one.

9 p.m.

Mr. Elston: I guess what I am getting at is, how accurate are you projecting your model to be? We have found with the air transport models established for air emissions there could be a differential of up to 100 per cent in the accuracy of the migrations they are projecting. That becomes an important question here, particularly when we are talking about other things. We mentioned PCBs, but there are also things such as is zinc, lead, cadmium and phosphorous.

Mr. Mills: Those will not figure in the model. The biggest problem with the harbour now is the lack of oxygen in the bottom waters. The oxygen is depleted, not necessarily from the ongoing inputs but because of the sediments

that have accumulated over the years; they in themselves create an oxygen demand on those lower waters.

We are looking primarily at ammonia and organic material. Those are the things that come primarily from the sewage treatment plant, and ammonia from Stelco and Dofasco as well. We have to determine the impact of those and the consequences of removing them. Organic material is also discharged through combined sewer overflows.

Mr. Elston: But so far your experience has shown there is very little migration towards the source for water for the city of Hamilton?

Mr. Mills: Yes.

Mr. Elston: I wonder if I might ask the minister his feelings concerning the suggestions we made earlier with respect to the Niagara River problem and Judge Curtin's decision. We made some suggestions that perhaps the Ontario government could take some action to sue Hooker Chemicals on the basis of either our current rights or nuisance, or to assist our federal friends in enforcing the provisions of the Boundary Waters Treaty from 1909. Do you have any reaction for us with respect to those two suggestions?

Hon. Mr. Norton: I can assure you we are not foreclosing any possibility, but we have not pursued either of those two at the moment.

Mr. Elston: You are considering them, though, are you?

Hon. Mr. Norton: I said we have not foreclosed any possibilities. Up to this point, the federal government has been very reluctant to get involved in anything of a litigious nature with the United States, I presume for diplomatic reasons. It has been much more willing to leave that aspect of it to Ontario. I could not predict what its degree of willingness would be to proceed even under the agreement of 1909, which you referred to.

I have had some discussions with my counterpart in New York state with respect to Judge Curtin's decision. The legal opinion in the United States is that Judge Curtin has left the door open to further information being brought to him which might lead to some revisions to his decision in the future. At this point, I think it is fair to say that has been where we have been focusing our attention.

A hydrogeologist was added a while back to the Niagara River team to provide us with expert opinion on the hydrogeology of that area, not just for that site but for other sites as

well. If his opinion confirms some of our worst suspicions about the Hyde Park site, the first route we might go would be to try to get back before the court to see whether Judge Curtin would take that into consideration by way of a revision of his decision.

Mr. Elston: Are you saying the Ontario government could make new representations, or would you be doing that through one of the bodies that actually appeared in the original court matter?

Hon. Mr. Norton: I must say that I do not know whether we personally, or rather the government of Ontario, not having been a party previously, would have the status to go back. We would find an avenue to do that if it were indicated.

Mr. Charlton: Just so this matter is clear in our minds, because I think our concern about the Hyde Park decision is the very clearly stated intention of Hooker to try to make that kind of decision the model, if you like, for their approach to dealing with the whole Niagara situation: do you and the ministry feel that the Hyde Park decision is a good decision, or are you looking for ways to open that question up so we can improve it?

Hon. Mr. Norton: What do you mean by "good"? That is a very subjective assessment, I suppose.

Mr. Charlton: As an agreement.

Hon. Mr. Norton: I would prefer to say that if we can find a way to make it better, we will attempt to do that.

Mr. Charlton: So you are not satisfied with its scope at this point.

Hon. Mr. Norton: No, I stand by what I said, you are not going to put words in my mouth. I said I do not know what you mean by "good," and I would not hasten to call it good. That does not mean that I know it is bad.

Mr. Charlton: Let me put it to you another way. Do you think the Hyde Park decision deals with the problem that exists at Hyde Park?

Hon. Mr. Norton: Yes.

Mr. Charlton: You do?

Hon. Mr. Norton: Yes. What do you think it deals with?

Mr. Charlton: Does it resolve the problems that exist at Hyde Park with respect to the Niagara River and Lake Ontario?

Hon. Mr. Norton: Listen, we cannot prove it at this point, but we suspect that it may be one of

number of ongoing sources leaking into the river. If we can find evidence of that, we will follow up on it; that is what we are attempting to do at present. That is one of our objectives. I do not know whether that answers your question.

Mr. Charlton: It goes back to a question I raised earlier in my opening statement, that the kinds of technology involved in the Hyde Park decision are perhaps appropriate on a short-term, interim basis to contain the problem, but at landfill sites like that, especially a landfill site such as the Hyde Park site which is so close to the edge of the Niagara Gorge, cannot be left in their present state indefinitely no matter what kind of containment system you want to put in place. There are all kinds of natural and perhaps ongoing occurrences that rule against that in the long term.

Hon. Mr. Norton: Yes.

Mr. Charlton: When I was making those comments earlier you seemed to agree with that approach, and the Hyde Park decision does not deal with any of that.

Hon. Mr. Norton: One of the problems with this whole area of concern is that you can talk to some people who are expert in the field who will support the view you have expressed, and a lingering concern that I have in sharing that view; at the same time you can talk to equally expert people who say it would be much more dangerous to try to excavate it and move it. I do not think it is for me, or even for you with your degree of expertise, to come to any immediate and final conclusion.

Mr. Charlton: I am not disagreeing with that in the context of the technologies available to us right now, in 1982. I think you know as well as I, though, that if there is no clear understanding that we eventually have to figure out how to clean it up then there will be no incentive to figure out how to clean it up.

Mr. Haggerty: May I ask a supplementary question on that?

Hon. Mr. Norton: May I answer the first one before you do?

Mr. Haggerty: Okay. I was waiting for you to answer it.

10 p.m.

Hon. Mr. Norton: There is new technology being developed all the time, and it may well be that a technology will emerge which can cope with that kind of situation more effectively. It appears there is a technology that has been suggested by the Environmental Protection Agency

in the United States and may well be able to cope with that kind of situation. At its present stage of development I am not sure it could cope with a problem of that magnitude or that volume, but at least it is an encouraging sign.

From my discussions with my counterpart in New York state, I can assure you that the concern is shared over there. It is not that they have assumed this is the ultimate solution; they are very concerned about all their sites. I think the biggest problem we have right now is dealing with their federal government in trying to come to grips with it.

Mr. Haggerty: Mr. Chairman, I want to follow up on the point raised by my colleague. According to reports in the newspapers on the American side, Hooker Chemicals is now drilling test holes in the rock. Core samples are being taken in a wide area around the park sites to try to trace where leakage or seepage of any toxic waste may be occurring. Will this ministry have access to that information as it comes forth from the American counterparts?

Hon. Mr. Norton: Yes. There has been a commitment for a full sharing of information. That information will be available. Perhaps I could ask Peter Crabtree, who is the coordinator of the Niagara River team and probably was working the most closely with them, to advise you on this. Perhaps he could answer more specifically. I do not know specifically.

Mr. Haggerty: I just want to ask one more question and then he can answer that.

Have you considered drilling for core samples, or whatever samples we are looking for, with regard to toxic waste on the Canadian side which may have seeped through the rock formation from the American side over to this side; that is to find out whether it is being passed through to the Canadian side?

Hon. Mr. Norton: You mean that it goes down under the river?

Mr. Haggerty: That is possible in the rock formation. In previous years they had been disposing of waste in abandoned gas wells over on that side and it surfaced miles away from the Buffalo or Niagara Falls area. It affected wells about 50 or 60 miles away.

Hon. Mr. Norton: That is news to me. I am not aware of any evidence even to suggest there might be such an occurrence. I would have to check with somebody who is much more expert in geology than I to know whether such a thing is likely.

Mr. Haggerty: We have had the same experience in using the gas or oil wells in the Lambton area to dispose of toxic waste. It went over to the American side at Port Huron, which caused some concern to the Americans. It can move about through the rock formation.

Hon. Mr. Norton: I am not saying it is impossible; all I say is that I simply cannot answer that. I would have to consult somebody who knows much more about geology than I before I could touch it.

Mr. Crabtree: Mr. Chairman, in response to that last question: The Hyde Park landfill site is perched some significant height above the river. It is in the lowest section of the river near Niagara University, some 80 or 100 feet above the river at that point. Anything that is leaching out of that site and being picked up in the ground water and carried towards the river is appearing on the gorge face some 50 or so feet above the river.

I do not see a chance of contaminants from that particular site working their way through the ground and underneath the river to appear on the Canadian side.

Mr. Haggerty: You are quite sure of that? I am thinking about the gas wells that have been drilled down in that area. I guess I should refer to the red medina and the white medina. The red medina comes out below the escarpment, on the agricultural lands around Queenston and down through that area. When the rock formation does peter out, it comes up to the top. If you are drilling up on top of the escarpment the change would be a 300- or 400-foot difference, but the end result is that the rock formation would come out to the surface on the other side. There is a risk, depending upon where they dispose of their waste, that there could be seepage into the porous rock formation which could surface on either side.

Mr. Crabtree: At this point, I could not say that is absolutely impossible, but I think it is most unlikely. The basis of the agreement that has been drawn up between Hooker Chemicals and the Environmental Protection Agency is that the leachate running vertically below the site will not penetrate through what is known as the Rochester shale, a relatively firm and relatively impermeable layer of rock that comes above the river level. Incidentally, that is an area of concern we have, but it would suggest the chances are that the majority of any chemicals leaching from the site will come out on the top of the Rochester shale and into the river.

Hon. Mr. Norton: Again, and I say this as a layman, it seems to me there is quite a significant difference between a landfill site such as Hyde Park, however bad it might be, and a deep-well disposal program such as I think you were referring to down in the Lambton area.

Mr. Haggerty: Who knows what Hooker has done over there? Every year different things are cropping up. Sites that nobody had ever dreamed of are coming to the surface.

Hon. Mr. Norton: I do not think anyone has even alleged they were doing deep-well disposal on that site. They might have; I do not know.

Mr. Charlton: Not that site, but perhaps on thousands of others.

Mr. Haggerty: That is what I am saying. How many sites have they been using for waste disposal on the American side? There are hundreds of them.

Mr. Elston: Mr. Chairman, I have just a couple of other comments. I know that the Ontario government, through the Niagara River task force, has requested a public hearing on the Niagara Falls sewage treatment plant. That is a good step; we are getting into the public hearing process again. Can the minister tell us what other remedial cleanups for other sites he might be opening up right now?

Hon. Mr. Norton: I might ask Peter to comment on this, because he is heading up the team looking at the permits on the American side.

Mr. Elston: You have more pinch hitters than Bobby Cox.

Hon. Mr. Norton: It's a big ministry. Our intention at this point is to deal with them as the permits come up for review, particularly this year when a number of them will do so.

Mr. Elston: That's my next question, actually.

Hon. Mr. Norton: I don't know which ones and in which order specifically, but Peter may have some information.

Mr. Crabtree: There are 26 state pollution discharge elimination system permits scheduled to be issued this year, of which the SPDES permit for the Niagara Falls waste water treatment plant was the first one. It is the only one that has been issued so far this year. The balance of approximately 25 are still to come. They are for various industries that discharge directly into the Niagara River.

Mr. Elston: Later on, could you perhaps provide a list of those in written form?

Mr. Crabtree: Yes, I could, certainly.

Mr. Elston: Is there anything you have available now that you are suggesting could be done with these particular sites, or do you have any idea what you might be suggesting with respect to these sites?

Mr. Crabtree: Let me clarify. The SPDES permits are not for landfill sites, they are for direct industrial or municipal discharges through pipe. We intend to look at each permit as it is issued, to review it in terms of the effects we think those particular parameters we get in concentrations of flow will have on the river and then to pass our comments on to the Department of Environmental Conservation in support of a permit, in opposition to a permit or somewhere in between.

Mr. Elston: Do you have a feeling for the types of guidelines you are going to be relying upon in making those comments?

Mr. Crabtree: Wherever available, we are using the guidelines that come from the Great Lakes water quality agreement of 1978 and Ontario's guidelines for water quality.

Mr. Elston: Between the two of those, you feel you have all facets of the permit covered, I presume.

Mr. Crabtree: No, I would not say that. We are using figures where they are available. There are a number of parameters appearing in these permits now, and, of course, appearing in the discharges, for which there are no set or suggested limits at the moment.

20 p.m.

Mr. Elston: How many people are working with you in the team?

Mr. Crabtree: Directly in the team I have two engineers, but the team in the broader sense constitutes a number of people from the water resources branch and the laboratories. I rely on them and the use of consulting engineers to provide the inputs that are necessary.

Hon. Mr. Norton: Plus consultants as required for specific projects.

Mr. Elston: I wonder if I might ask the minister something he may not be able to comment on. I am very interested in the approach to be taken by the Premier (Mr. Davis) when he meets with Governor Carey in June, I believe that is the date for their meeting. I understand that perhaps he will have some comments for the governor. I would be very interested to hear what thoughts the minister has on the types of representations the Premier will be making at that time.

Hon. Mr. Norton: As I understand it, at this point we have not yet had any confirmation that Governor Carey will be even attending that meeting. There has been no response to the request for a meeting at that time, unfortunately. You can read what you like into that, although I might say Commissioner Flacke has been quite accessible and we will be continuing to work with him. I don't know whether Governor Carey feels at this stage in his career he is in neutral or what the problem is.

Mr. Elston: Did you say "in neutral"?

Hon. Mr. Norton: Yes.

Mr. Elston: You mean two separate words, "in neutral"?

Hon. Mr. Norton: Yes.

Mr. Elston: That is a new statement of a political position, I suppose.

Hon. Mr. Norton: As you know, following a request from him, we have been trying for many months to follow up and get a meeting with him. That has not materialized in spite of continued efforts. There have been a couple of times when dates were suggested that—

Mr. Charlton: With Governor Carey?

Hon. Mr. Norton: Yes, back in September 1981.

Mr. Elston: And now he may not show up to take part in his own program; is that what you are suggesting?

Hon. Mr. Norton: No, it is the Great Lakes governors who are meeting. That was thought by us and by the Premier to be an opportune time, since we would be there, to have this meeting, which has been so difficult to arrange otherwise.

Mr. Elston: I presume you have prepped yourselves for the role, though. Perhaps you could tell us of some of the preparations you have made; not because I am going to be visiting Governor Carey before you will be, obviously, but could you provide some background.

Hon. Mr. Norton: I think it would be more appropriate that you ask the Premier that question when you have the opportunity during his estimates. He knows what he is prepared to say at that meeting. But I can assure you the ministry has been very—

Mr. Elston: I hope you get a role.

Hon. Mr. Norton: The ministry has been very supportive in terms of preparing him for the meeting, if it occurs.

Mr. Elston: Okay. Perhaps we can go on to something else that concerns me, the phosphorus content in the waters of Lake Simcoe.

You made extensive comments in your opening remarks about Lake Simcoe and phosphorus. I noted that the original program set out for Lake Simcoe and its re-establishment as a freshwater fishing source was to be in place by 1983. Now it is being postponed again. I wonder whether you can tell us when the program is finally going to get into place.

Also, can you discuss the accuracy of your previous comments about the self-reproducing cold water fishery? It seems to us that some of the indications you are providing us with now suggest it may not be self-reproducing.

Hon. Mr. Norton: Do you want to touch on that one, Peter?

Mr. Giles: Perhaps I could make an initial comment and then call on Steve Salbach, who is the co-ordinator of that program, to come forward and give us some more details.

We are moving ahead with the approach that was outlined a year ago, and it obviously involves a number of activities. The completion of the Newmarket trunk sewer to divert the Aurora-Newmarket sewage into the York-Durham system is proceeding on schedule. The programs of both the conservation authorities and the Ministry of Agriculture and Food to reduce non-point-source phosphorus loadings are proceeding.

We have had the benefit of a study that would indicate to us that the level of 0.3 milligrams per litre in the Barrie sewage treatment plant is achievable, and we have begun discussions with Barrie on the question of the funding of that additional treatment. The Orillia report, which was to determine the same thing—namely, is it possible in their particular type of plant to achieve that level?—is expected shortly. I do not think we have received that report yet.

The other element was the Holland Marsh. We are investigating the treatability of the waters flowing from the Holland Marsh. We are monitoring all the areas that drain into Lake Simcoe naturally, and the Holland Marsh is one of the major ones.

In general, the program is going ahead. Funding is certainly being made available for that program. Our objective is still as it was, namely, to establish a level of phosphorus in the lake that will permit the continued management of those lakes for a cold-water fishery.

Mr. Elston: I can sympathize with some of the

statements you are making. It seems to me we had been told originally that the funding was going to be in place much earlier than it is in fact and that the objective was 1983 as the point when the program was going to reach its initial fruition stage.

I am still wondering, in the light of the recent setting up of the steering committee, how much longer it is really going to be before we not only pull in the sewage treatment plant at Barrie but also deal with the other major contributors to the problem of phosphorus contamination of that lake.

There is a two-year period set up for the steering committee on the basis of agricultural runoff, for instance, in the area, and it seems to me the whole program for this as a cold-water fishery will not be effectively put in place until after we have dealt with all the problems that have arisen.

Mr. Giles: With regard to funding, we dispend \$100,000 in 1981-82. We have a program of \$327,000 this year, and we will be looking to a similar amount next year. From the standpoint of one of the major removals, as I indicated the trunk sewer will be taking care of a fair amount of the problem, and the Barrie-Orillia development as it goes ahead will take care of another major part of the problem. As the conservation authority develops its programs of erosion control we will again be dealing with more tons of phosphorus.

I would not say it is seriously delayed with respect to the original outline of what we expected to be able to do. It has taken us a little longer, mind you, to really figure out what we might do at the Holland Marsh.

Mr. Elston: That does cause a significant problem, I think you will have to admit, since it is a significant contributor to the area.

Mr. Giles: I am not certain. I have not gone any farther with the exact contributions of the different components. Steve, can you outline that in a little more detail?

Mr. Salbach: I am Steve Salbach of the water resources branch. As Mr. Giles has pointed out there is a three-pronged attack, if you like, trying to reduce the phosphorus input to Lake Simcoe. The present loading of phosphorus that goes through Lake Simcoe is somewhere in the neighbourhood of 105 tons. This is a yearly discharge. The intent is to reduce the phosphorus, first of all through the diversion of the Aurora and Newmarket plants, and we expect to achieve a reduction of some six tons by that

measure. The schedule for that effort is somewhere around 1984. I might say that is on schedule.

As far as further reductions at the sewage treatment plants in Barrie and Orillia are concerned, the feasibility study for Barrie is in and, as was indicated, it seems feasible to reduce the phosphorus content from its present one milligram per litre to 0.3 milligrams per litre. This is a very significant reduction and, I might say, not very common at this point as far as sewage treatment is concerned.

30 p.m.

Orillia is similarly under study, and we expect in July of this year to receive the consultant's report, which will tell us whether it is feasible to reduce that effluent to 0.3 milligrams of phosphorus per litre.

When the reduction of phosphorus from each sewage treatment plant will take place is a matter for negotiation between the ministry and the municipalities. It is difficult for me to predict exactly when this will be put in place; it is a matter of economics, as I am sure you can appreciate.

Incidentally, to add in the Barrie and Orillia plants, a total of eight tons is expected to be reduced from that area. So we have six tons from Newmarket-Aurora and eight tons from Barrie and Orillia, and we hope to be able to reduce the so-called rural input by two to four tons per year.

If you go through the mathematics, you will end up with a figure of 87 tons per year. It is this figure that we are shooting for, and it is this figure that we hope will achieve the self-sustaining cold-water fishery in Lake Simcoe.

The timing, of course, is something else. We have a 1984 time frame. The Barrie and Orillia schemes, if and when they come in place, I hope in the next few years, will be the two big ones, as you can see.

We talked about the Holland Marsh, but I do not think it is just the Holland Marsh, it is the overall rural contributions. It is very difficult to reduce those. The Holland Marsh is probably the one single source that perhaps we can do something about in a very specific sense, and the studies that Mr. Giles has mentioned deal with that.

Mr. Elston: Thank you very much for going through those mathematical calculations for us. I just want to make two comments. One is that, as you indicated, we are going to get down to 87 tons per year; that was set out in the minister's

statement on page 65. But I have to point out to you that the Lake Simcoe-Couchiching basin environmental study reported that, "with only a loading of 75 metric tons could we achieve a self-reproducing cold-water fishery."

It seems to me that if that is what the report indicates, then you are going to fall 12 metric tons short of achieving your avowed goal; and that would certainly put your position at a terrible disadvantage unless you are going to be disagreeing with the study and its reported goal of a self-reproducing cold-water fishery.

Mr. Giles: When the government was making its decision to try to achieve an 87-ton level, the Ministry of Natural Resources was of the opinion that 75 might be highly desirable but that 87, in its view, would be a number it could live with and still manage the cold-water fishery. So our reliance on that figure is based on the judgement of the staff of the Ministry of Natural Resources.

Mr. Elston: So this is outside the expertise of the Ministry of the Environment?

Mr. Giles: Yes. We rely on them as the fish managers.

Mr. Elston: Are you then going to disagree with the report that was filed? We pay a lot of money for these reports on the strategies and the desired objectives we are to reach. Can you tell us whom you consulted in the Ministry of Natural Resources and how it is that they have more expertise than the people who obviously made a detailed study of this basin?

Mr. Giles: The Ministry of Natural Resources was represented at various levels. The final decision was one taken, I guess, by the senior management of the ministry on the basis of the judgement that was provided by their expert staff.

Mr. Elston: Can you be any more specific on the senior management as to who might be a prime consultative source for the Ministry of the Environment with respect to this matter?

Mr. Giles: We consulted all levels from the minister to the local biologist on the lake.

Mr. Elston: I can understand that, but somewhere along the line there must be a determination that the report that was done on the Lake Simcoe-Couchiching basin was in error. It suggested 75 tons was the level at which there was going to be a self-reproducing fishery, rather than 87 tons.

We have a fairly wide discrepancy in the amount of deposit being made every year.

Twelve tons per year is substantial when one is talking about 75 or 87 tons. It seems to me to be substantial and that is a fairly large margin of error.

Mr. Giles: My comment with respect to the consultation was that the final decision was made by cabinet and obviously the minister was involved in that final decision.

Certainly, the expertise of their biologist was consulted in arriving at that conclusion. They agonized a long time over that decision because it was recognized how difficult it would be to achieve 75 tons. The opinion of the local municipal members around the lake was that it was not achievable and that we might as well forget it.

In its judgement, Natural Resources felt that if we could achieve a level of 87 tons we had a very good chance of maintaining that fishery. That is how we arrived at that figure.

Mr. Elston: The reason I am asking about the source of your consultation is that since we are going to be starting Natural Resources estimates some time tomorrow in this committee, I would like to take this and ask them how they got the determination.

Hon. Mr. Norton: The appropriate spot would be under their fisheries branch, would it not?

Mr. Giles: The deputy minister is very familiar with this particular subject because he took part in the discussions we held.

Mr. Elston: Perhaps we should end there because we have lots of other questions.

Hon. Mr. Norton: I might just add that you are dealing in an area where professional judgement on the part of fisheries experts is involved. As in any other field, you are going to find some variations in terms of professional judgement. It does not mean that everyone is absolutely correct. We may wish for absolutes, but this life does not provide many, I am afraid.

Mr. Elston: I am sure your point is well taken, but what I really said was that 12 tons a year is a substantial difference when one is talking about a goal of 75 or 87 tons. It seems to me there is a substantial margin of error there which could be—

Hon. Mr. Norton: I do not know if it is a margin of error or a margin of professional—

Mr. Elston: Disagreement.

Hon. Mr. Norton: —variation in judgement or something.

Mr. Elston: Fair enough.

Mr. Chairman: We have approximately 20 minutes, by which time I would like to be or vote 2104. I also have three speakers who indicated they wish to ask questions about items somewhere in vote 2102 and vote 2103. I would like to move to those three members and perhaps allow them to ask questions on the votes, wherever they are, if the committee agrees. I do not see any other way I can be fair in allotting the time. Is that a fair assessment? Mr. McNeil has been waiting and sitting through every meeting to bring up one question. I would like to get him on now.

Mr. McNeil: I have a question I would like to ask the minister about the current status of the water agreement with the city of St. Thomas.

The minister is aware negotiations have been taking place between the ministry and St. Thomas for a considerable length of time. I understand a meeting was called last Thursday. I would like to know the results of that meeting.

Hon. Mr. Norton: Doug McTavish is the regional director for southwestern Ontario and is present.

Mr. McNeil: I would also like to know why has taken so long to come to an agreement.

Hon. Mr. Norton: Perhaps Doug can address that as well.

9:40 p.m.

Mr. McTavish: There was a meeting last week. I was not in attendance but representatives of the city met with the finance people in our ministry. The city was represented by the chartered accounting firm it is dealing with. Basically, they were seeking information through their chartered accountant, and it was supplied to them, on how the proposed rate that had been presented to them some time ago and was in dispute had been calculated.

That information was provided and presumably we will get back together some time before the end of the month after he has had a chance to go over that data.

Mr. McNeil: I would also like to know how long these negotiations have been taking place because I remember meeting some time ago with your officials. I think it is unfortunate it has taken this long to resolve the rate.

Mr. McTavish: There were considerable numbers of meetings perhaps two years ago now Mr. McNeil.

Mr. McNeil: That is right.

Mr. McTavish: There was an agreement reached. A rate was placed in effect and the

rate review which occurred approximately a year later ended up with another rate increase which has been the subject of a considerable amount of discussion with the city and our financial people.

Mr. McNeil: Is this the usual performance, for the ministry within a short time after a rate has been agreed upon to increase the rate and then to negotiate with the municipality?

Hon. Mr. Norton: There are regular rate reviews in all cases such as this. I think the problem—

Mr. McTavish: Most of them were on a five-year review and we have—

Mr. McNeil: Why would it be within a year?

Mr. McTavish: We have discussed with most municipalities that five years is too long. Most of them have agreed a year is more appropriate. The arrangement we have with St. Thomas is that it will be reviewed annually.

Mr. McNeil: The city of St. Thomas tells me that apparently you never honoured the original agreement.

Mr. McTavish: The original agreement was changed about two years ago. The amount of—

Mr. McNeil: I understand the original agreement was changed shortly after it was reached.

Mr. McTavish: Do you mean the agreement reached two years ago?

Mr. McNeil: That is right. This is what concerns me.

Mr. McTavish: I really cannot answer as to many of the details on the capital agreement that was reached. I am not directly involved.

Mr. McNeil: This is what the mayor of St. Thomas tells me. That is one of the reasons I have been anxious to try to set up a meeting with the minister to resolve this problem.

Hon. Mr. Norton: I told you that we are seeing up such a meeting.

Mr. McNeil: But I kept getting word back from your ministry that they were still negotiating. In I am of the opinion the negotiations will not proceed until you meet with the municipality.

Hon. Mr. Norton: That meeting is being set up as you know.

Mr. McNeil: I did not know it.

Hon. Mr. Norton: You have been told that.

Mr. McNeil: No, you said you were working on it. You did not tell me you were setting up a meeting.

Mr. Elston: Pin him down.

Mr. McNeil: I was of the opinion some of your ministry officials said it was not necessary for them to meet with the minister and that is something that worries me.

Hon. Mr. Norton: It may well be the case that somebody in the ministry said that, but that is not what I said. It is my intention to have such a meeting.

Mr. McNeil: I know it is not what you said, but I brought that to your attention and I think it is time this problem with the city of St. Thomas was resolved.

Hon. Mr. Norton: I agree, provided the city of St. Thomas and all the other parties are willing to reach an agreement.

Mr. McNeil: The city of St. Thomas is ready to negotiate and St. Thomas has been negotiating. I understand that until last Thursday your ministry had not met with St. Thomas for some six months to a year.

Hon. Mr. Norton: I guess I do not know what is going on.

Mr. McNeil: To me, this is unpardonable. I think it is ridiculous to have this sort of thing happen.

Hon. Mr. Norton: We will try to get that resolved as quickly as possible. It obviously should not have lasted so long.

Mr. McGuigan: Would the minister include in the meeting the townships of Raleigh and Harwich? They have exactly the same problem with their water line.

Hon. Mr. Norton: Are they in the midst of negotiating as well? Let us take one step at a time and see what we can do.

Mr. McGuigan: We will take whatever settlement you can get, Mr. McNeil. Give us the same settlement and we will take it.

Mr. McNeil: The city of St. Thomas is quite willing to negotiate anything, anywhere, any place, and always has been.

Hon. Mr. Norton: If that is the case, we should be able to reach an agreement.

Mr. McNeil: Why do we have to drag our feet on these things?

Mr. Chairman: It sounds like you have a pretty firm commitment, Mr. McNeil. The way I interpret what I heard, this is going to proceed forthwith.

Mr. McNeil: I appreciate that because I was a little concerned when your ministry said it would be impossible to meet with the minister. I

could not believe that. I wanted to get it from you.

Hon. Mr. Norton: It was not anybody in my office who said that.

Mr. McNeil: I knew it would not be impossible to meet with you.

Mr. Chairman: Mr. Charlton had something on vote 2103, item 2, industrial abatement.

Mr. Charlton: Yes, I have something on industrial abatement. I believe this is the vote that it would come under.

The minister is aware that some few weeks ago I met with his special assistant, Mr. Bonnell, and with Mr. Gray from the regional office up at Barrie. It was regarding a waste storage site operated by Chemical and Petro Waste Disposal Ltd.

I am going to start by saying that it was a very useful meeting. The staff were very co-operative. Just so that the minister is clear that we do not always walk with spiked feet up his back, we were very pleased with the response we got from your staff and we were impressed with the way that the spill which occurred at that site is being dealt with.

However, there is one matter in relation to that situation on which we have received additional information since that time. Although we were remotely aware of it at the time we spoke to your staff, we have got some additional information now.

A driver, Mr. Kenneth Bernard Carlson, who drove a truck for Chemical and Petro Waste Disposal Ltd., had made a number of accusations regarding what happened to the waste that was removed from that site at the time the leak was discovered in the lagoons. I should point out that the ministry files on this particular case and Mr. Carlson's story are identical right up to the very last step, the eventual destination of that material from the lagoons. I believe that the ministry files show that the material ended up in Sarnia.

Although Mr. Carlson cannot attest to where all of the material ended up, he has now signed a sworn affidavit attesting to his story that substantial quantities of it ended up in a dump site in Tiny township, Pauzé landfill, also known as the Perkinsfield dump. He claims that he was instructed, along with a number of other drivers, to take some of this material from Hall Oil in Peterborough to Pauzé landfill in Tiny township and that it was taken there at night; and that Mr. Cleo Moreau, who was an employee operating the dump site in Tiny township, met them there,

opened the gates and the stuff was just dumped loose, on the ground.

This is not reflected in the file that your regional staff have on that whole episode. I think your staff are aware of the allegations that Mr. Carlson has made.

First, what process do you have to check and verify that the material in fact went to the location in Sarnia where it was supposed to have gone? What kind of protections does the way your system have, and what is happening with checking out the allegations that Mr. Carlson made?

9:50 p.m.

Hon. Mr. Norton: The reference you make to the affidavits or to Mr. Carlson's allegations the first that I, personally, have heard. I do not know whether the staff have any knowledge of such an affidavit or not. George, do you? This is George Mierzynski, who is the director of the central region.

Mr. Mierzynski: I was in Barrie this afternoon. I was discussing the current situation, as described with my industrial abatement district office. We are investigating this situation. In light of the fact that the investigation has just recently started, I do not have any information to provide to you about the ongoing investigation but you can rest assured it is being investigated.

Mr. Charlton: It is being investigated?

Mr. Mierzynski: It is being investigated both through our district staff and through our special investigation unit, which is specifically structured to do that very thing. So it is currently under investigation but I cannot give you any information other than to say it is being investigated.

Mr. Charlton: If it is being investigated, I am satisfied with that in terms of the specific case.

Can we go to the less specific and more structural, the system of waybills suppose following this kind of material? How is the system structured to avoid situations like this? What is there in the system that allows you to follow up when you receive information like this?

Mr. Mierzynski: Mr. Minister, I wonder if you could ask Mr. Macfarlane to give me a little bit in providing this answer.

Hon. Mr. Norton: Sure.

Mr. Macfarlane: Mr. Chairman, I have been talking with Mr. Boyko with me. My name is Macfarlane and I am director of the waste management branch.

This matter stems from an occurrence with

is alleged to have occurred in 1978. At that time the waybill system was relatively rudimentary. It was not computerized as it is now. None the less there was a waybill system in existence. I think I should say immediately that as part of the investigation that the central region is conducting, the search is being made for waybills that may have been raised at that time for this transaction.

The waybill system, as it has always been construed, has presented separate pieces of information to us. The information given us was that the generator of the waste had sent his waste by way of a carrier to a receiving site. The waybill system depends on our being informed by the generator of the type of waste that he is sending for disposal and, at the other end of the transaction, the information from the receiver who takes in that waste for disposal.

These two separate pieces of paper are raised without any necessary knowledge of both parties, so that we should have at the end complete knowledge of where the waste arose, who created the waste and where it was disposed.

Mr. Charlton: As you suggest, the waybill system in existence at the time was somewhat different from the present one, but there was a waybill system in existence. There seems to be no disagreement on the amounts involved; everybody seems to agree roughly with the estimates of the amounts involved.

How would it be possible for a generator to take waste somewhere other than the place they were supposed to be taking it and still come up with waybills that would satisfy the ministry that it had arrived where it was supposed to go?

Mr. Macfarlane: At this moment I cannot visualize the circumstances. I would be prejudged in the outcome if I did. I can tell you that in 1972 it would be quite difficult to do it because the system is tuned to a point where you would have to have almost criminal collusion before you could do it.

Mr. Charlton: Between the various companies involved?

Mr. Macfarlane: Yes, between the various pieces of the waybill system.

Mr. Charlton: You mention that you are on a new system now and it is computerized. Besides the fact that now it is on computer, what in the system has changed that would provide protections that did not exist in 1978?

Mr. Macfarlane: I think there are two principal elements. One is a very strenuous follow-up of waybills that do not match, which is done by

our staff in the clerical end of the matching of the waybills. The second element is the strenuous investigation that is conducted by specially trained staff of the ministry with the help of professional police, who are available to us. I think these two principal elements distinguish between the early period of the waybill period enforcement and that which exists today.

Mr. Charlton: I think we have taken up enough time on this except I would like to ask the minister if, when the investigation is completed, it would be possible for me to receive some kind of report of the findings.

Hon. Mr. Norton: Obviously, it is a very troubling issue. I do not know why this gentleman did not come forward before but I am glad, if in fact there are any irregularities, that he has come forward now.

Mr. Charlton: I understand that he did come forward before. Mr. Gray was aware of his accusations but at that stage, as I understand it, the formal complaint document had not been signed. Mr. Gray seemed to feel at that point—he did mention it to us, he did tell us about it—it was not a very serious accusation on Mr. Carlson's part. He felt it was perhaps jealousy over the fact that he had been dismissed by the company and so on.

Hon. Mr. Norton: I would like to know more about that too, so we will also check that out.

Mr. Chairman: Is there any other supplementary that would only take one minute and a half, or a question and answer or comment?

Mr. Sweeney: I have a supplementary that I think will only take a minute. It is on this same area. I believe my question comes under item 6, laboratory and technical support. I briefly discussed with the minister this afternoon the case of the Shortt family in my constituency which has been given considerable publicity both in the Toronto papers and our local papers.

I have been in touch with some of the minister's officials and the answer I am getting seems to be that there is nothing more they can do. Yet the feedback I am getting from some other sources is that no test drillings have been done in the land immediately around the home and there is a possibility, suggested by many people who have investigated, that may be part of the problem. One question I want to raise with you is why cannot that be done?

The second one is that I noticed, in your program description at the bottom of this particular page, references to the provincial health units' investigation of complaints and then down

at the bottom, "existing and newly emerging pollutants." In our particular community, the local health unit does not seem to want to get involved whatsoever in this particular situation. Can you tell me to what extent they ought to be involved in it or in what way they can be involved in it?

I really have a two-part question. Number one: Is there any good reason why in this part of the overall testing you could not do soil testing? Number two: To what extent can or should the local health unit be involved?

Mr. J. M. Johnson: On a point of order: It was my understanding that at 10 o'clock, this committee was going to deal with Dr. Chant and the Industrial Waste Management Corp. I think this is one of the most serious problems facing Ontario today. I just feel that if this committee does not address itself to this problem now, we are being very remiss. We have had all kinds of opportunity to talk about the problems pertaining to ridings and—

10 p.m.

Mr. Sweeney: Mr. Chairman, I would suggest that I could have got an answer in the time Mr. Johnson has taken for his intervention.

Mr. Chairman: I am at the direction of the committee. We were to start at 10 o'clock. Do you wish to carry on with the matter we are on?

Mr. Wildman: Mr. Chairman, on a point of order: With respect, I raised a question last week, and the minister indicated I would get a response this evening. The official is here. I certainly agree with the member for Wellington-Dufferin-Peel that we should hear from Dr. Chant and that the question of liquid industrial waste is a very important one. We have a problem of time. I would like to raise my question, however.

Mr. Chairman: Mr. Sweeney has agreed to a written answer from the minister on the previous question.

Mr. Charlton: Mr. Sweeney has agreed to accept a written answer?

Mr. Chairman: He has agreed to accept a written answer? Is that what you are saying?

Vote 2102 agreed to.

On vote 2103, environmental control program:

Mr. Wildman: I have a question on vote 2103 that relates to what the minister said I could get a response to. To be honest with you, I wrote a letter on March 31 and I have yet to receive a

written response, so I am not particularly prepared to wait for a written response.

Hon. Mr. Norton: Is this the same letter you referred to last time?

Mr. Wildman: Yes, and Mr. McIntyre is right there.

Hon. Mr. Norton: There is a letter that you should have received by now. As a matter of fact, I thought it had been delivered by your office. We discovered in checking out where there had been a delay that, as of May 7, we had not received your letter. I believe someone from your office had contacted our office. We had not received such a letter; we asked them to send us another copy, and they did so on May 7, I believe, May 7.

Mr. Wildman: That was after a number of phone calls from my office. I do not want to go into why I did not get the letter; I just would like to have the answer.

Hon. Mr. Norton: I do not know if we have a copy of it here tonight or not. Do you want me to read it to you or give you a copy?

Mr. Chairman: Mr. Minister, I think we have discussed the point of order and agreed that we were to get on to vote 2104. The written answer is coming down. I think that is reasonable.

Vote 2103 agreed to.

On vote 2104, waste management program:

Mr. Chairman: So far, I have four speakers who have indicated they will speak: Mr. Elston, Mr. Charlton, Mr. J. M. Johnson and Mr. Williams. The chair will take everybody; I am sure we will get to everybody.

Mr. Minister, do you wish to call Dr. Chant to this time?

Hon. Mr. Norton: Certainly. I am prepared to call on him.

Mr. Chairman: Are you agreeable to that?

Hon. Mr. Norton: I guess, Dr. Chant, in spite of the fact that everyone knows you, you ought to repeat your name and position for the sake of Hansard.

Dr. Chant: I am Don Chant, chairman and president of the Ontario Waste Management Corp.

Do you want me to open, Mr. Chairman?

Mr. Chairman: I believe so.

Mr. Elston: I think a few brief opening remarks would be handy to bring us up to date.

Dr. Chant: Mr. Chairman, you will recall that I last met with this committee on December 1. It was a somewhat different world at that time.

side we were just three weeks past the South Cayuga decision. I thought it might be useful tonight, with your indulgence, to outline very briefly the activities of the corporation and the progress it has made since December 10.

After the South Cayuga decision it took us a while to realize that our mandate had changed, from simply looking for another South Cayuga somewhere else to really focusing on the development of a province-wide system for industrial liquid waste disposal, and that this did not necessarily imply a single consolidated site such as we all had in our minds with respect to South Cayuga.

I would like to touch briefly on the programs we have developed since that time. Some of them were under way during the South Cayuga dispute, but others have received much more attention and emphasis since that time.

First, the communications program: We have with us tonight Mr. Michael Scott, who is the director of communications for the corporation. The communications program as we envisage it now has two phases. The first phase is to get around the province meeting with a variety of groups which I will mention in a moment, simply to introduce the corporation and discuss in general level of principle the concerns the people of Ontario have with respect to the liquid industrial waste problem.

Phase two, which will be even more intensive, will involve public consultation on the results of the many studies we have under way with our consultants. I think everybody is agreed that public consultation does not consist simply of dumping a pile of data on a municipality, a provincial association or a citizens group, saying, "We will spend four hours with you tonight and this is public consultation."

It calls for a great deal more than that. We will probably call for some expert assistance for the groups which do not have it on their own behalf, to have some intelligent, constructive and useful comments on the data we will be generating. That is going to be very intensive and time-consuming but, of all the things I have to do as chairman and president, I have given this absolute, top priority through the summer and fall. If we hope to get any reasonable acceptance when we become site specific for facilities for liquid waste disposal, the public will have to be involved in that way, not just as a token gesture but in a very real way.

Here is a partial list of the groups that Michael Scott, I and others have spent some time with during phase one, introducing the corporation

and asking what their concerns are: The Association of Municipalities of Ontario, the Ontario Federation of Agriculture, the Ontario Federation of Labour, the Conservation Council of Ontario, the Canadian Manufacturers' Association, the Canadian Chemical Producers' Association, the Ontario Medical Association, the Ontario Trucking Association, the Canadian Environmental Law Association, the Ontario Public Interest Research Group, the Sarnia and District Chamber of Commerce, the Provincial Council of Women of Ontario, the Ontario Liquid Waste Carriers' Association, and the chambers of commerce in Oakville, Windsor, Norwich and Tweed.

We have sent letters to over 900 individual groups and organizations in Ontario introducing the corporation, giving these people some background as to what we are and where we came from, and offering to place these groups on our mailing list or to meet with them. All of you have a letter in the mail, since all the MPPs are getting letters. All the Ontario MPs are getting letters as well.

I personally travelled to Sarnia, Windsor, Chatham, Wingham, Niagara-on-the-Lake, Cambridge, Hamilton, Uxbridge, Tweed, Belleville, Kingston, etc., meeting with groups, meeting with the local politicians and so on. We held a weekend seminar at Niagara-on-the-Lake for the representatives of 23 groups to discuss the corporation and industrial waste. There were groups ranging from the Ontario Trucking Association to the Canadian Environmental Law Association. It was a remarkable experience.

Finally, the Association of Municipalities of Ontario offered to co-sponsor with us a series of six one-day seminars throughout southern Ontario to which all municipal officials, elected and appointed, were invited. We have now done five of those. We have one left to go next week in Oshawa.

I think it is fair to say that, in meeting with these literally thousands of people, the reception generally has been positive and supportive. The only meeting that was not, that I can think of, in the brief life of the Ontario Waste Management Corp., happened to be in Mr. Miller's riding about two Decembers ago; I think it was in Dunnville. That was a difficult meeting, but most of the others have been much more supportive.

The constant question we get is: "Why not locate the facilities where the waste is generated? Why don't you put the facilities in down-

town Toronto or downtown Burlington or something like that?" That is a consistent theme.

The other theme is that, in the abstract and at this time when we are not yet site specific, there seems to be a general preference for a decentralized system so that the responsibility for disposing safely of these liquid industrial wastes can be spread across the province rather than concentrating on a single place as was contemplated at South Cayuga.

10:10 p.m.

Our philosophy is to stay small, to have a core staff of experts and to have most of the work done by consultants. I think we have been successful in doing that. However, we are still building staff. We require further core staff in the planning area, business and finance, communications and, of course, support staff to work with those people. We have 11 or 12 staff at the present moment, and my guess is a year hence there will be something like 30 to 35 core staff working with the very complex array of consultants we have engaged and will be engaging.

I think I mentioned at our last meeting, Mr. Chairman, the three key studies which, at that time, we were just getting going on. The Gartner Lee hydrogeological characterization of all southern Ontario, what we call phase one Gartner Lee, would simply tell us in very broad area terms the soil characteristics of the whole of southern Ontario south of North Bay. When that is completed, and it will be completed on June 15, the company will go on to phase two, which will begin to do more detailed studies to narrow down these large areas to smaller areas until ultimately we become site specific or sites specific.

Proctor and Redfern Ltd., our other prime consultant, is doing two major studies, that almost everything else hinges on until its work is completed, that we call TO1. It is a thorough inventory of the industrial liquid wastes produced in this province. Mr. Macfarlane and others have mentioned the waybill system. I think we all agree that the waybill system only captures certain kinds of wastes under certain circumstances in the province. We want to know about all the liquid waste that is produced, whether it is treated in plant by an industry or exported to the United States. Wherever it comes from and wherever it goes, we want to have a record of it.

The company's second important study is an analysis of the world's leading technologies for treating liquid industrial waste. There are over

100 technologies available around the world and you have to marry the available technologies with the particular characteristics of the waste streams in Ontario. The waste streams in Ontario are not the same as those in New York state, in West Germany, in Japan, or wherever it might be. Those two studies are totally dependent one upon the other, and there is very little we can do in a specific way until those studies have been done and we put the pieces together.

The inventory will be completed in the third week of June and the analyses of the world's leading proven technologies will be complete by the end of June or very early in July. So that is the crucial phase, on which so much depends, is virtually completed now.

We have come to realize, post-South Cayuga and as we have developed these approaches, that we are not just a single-issue corporation but, as I said, that our responsibility is to create a province-wide system for industrial liquid waste disposal.

Mr. Chairman, if you will let me, I would like to just run very quickly through some of the other studies, and there is a myriad of them, we either have under way right now, or have asked for proposals on from our prime consultants and their subconsultants as things we think have to be done. We want to know how would they propose to do them, what resources they have, what access to experts they have, and the kinds of things. We have a study program to develop a secure landfill looking into the engineering options for secure landfill, depending on the site characteristics and so on, that is secure landfill design, looking into the designs that have been used elsewhere and the successes or failure they have achieved.

We all know that the corporation and its facilities will have to have sophisticated laboratory testing capacity on site, wherever it may be, to check out the identity of the material that is being sent there for disposal. Everything hinges on that. If it does not check out, you send it back or impound it, or something. But since the technology you will use is so dependent on the waste to be disposed, if you get them mismatched you have a problem.

Regarding policy issues considered in the selection of hazardous waste management alternatives, I think we all realize—at least I hope we do—that hydrogeology, however important, only one of the many factors that will have to be considered in ultimately deciding upon a site in Ontario for this purpose.

There are other factors that have to

considered as well: social, economic and environmental impact; the timing of the creation of facilities; pricing and marketing strategies; the question of liability; waste acceptance; import versus export; storage and perhaps pretreatment on a local level; and our role in research and development in the stimulation of research and development and the implications of that. As well, there is the question of definition of waste: what is waste, when all is said and done? That is something that had to be grappled with in the waste inventory. There is the question of the regulations that currently apply in this jurisdiction and the ways in which they might affect our success in attracting liquid waste to us for disposal. Perhaps, unknown to all of us, they create disincentives that would tend to discourage industries from sending their waste products to us for disposal.

We have to look into the question of sewage treatment plants, at least across the southern part of the province, because one school of thought has it that the typical tentative treatment facilities really do have to have some sewage treatment plant to treat the effluent to a level that is acceptable by the current regulations in the province.

We have to have a study on climatology, because wherever you have a rotary kiln you want to make sure that the air currents and the general climatology in that area are conducive to having a safely operated rotary kiln.

We have under way a waste reduction opportunity study on which the Ontario Research Foundation is going to be working with our private consultant.

We do not see our responsibility as simply sitting behind the facility gate and taking anything and everything that anybody wants to send us. We have a responsibility to reach out to industry, to encourage and work with industry to take advantage of every opportunity for waste reduction and waste recycling.

There are other studies we will have to undertake, and we already have people working up proposals. Transportation is clearly a very important feature of the system we will be developing. Then there is the use of a buffer zone around the facility itself. As you recall, at South Cayuga there was a buffer zone of 670 acres, or something like that. Archaeology could be a very important factor in our site selection, as well as communications of various kinds.

We also will have to commission a review of current legislation and regulations in other

jurisdictions. Alberta, as you probably know—the minister summarized this—has just recently passed an act to create a crown corporation. It is quite a different kind of crown corporation to ours; I am not saying it is better or worse. There are a number of jurisdictions doing this, and we probably should learn as much as we can around the world about this sort of thing. That will require quite an intensive effort.

At present, we need a background study on the issues that will have to be decided with respect to marketing and pricing. I go back to this whole issue of incentives and disincentives. If you charge too much, you will get midnight dumping and illegalities of various kinds. If you charge too little, it becomes an unwarranted burden on the taxpayers of Ontario, in my view. So that is a very important, very complex area. We should get started on that as quickly as we can.

Mr. Chairman, that is the extent of my introductory remarks. I emphasize again that we have here both Mr. Scott, with our communications program, and Mr. Douglas, the general manager. The three of us would be pleased to answer any questions the members of your committee might have.

10:20 p.m.

Mr. Chairman: Thank you very much, Dr. Chant. I apologize that we do not have as much time as I am sure you would like to make available to us and as we would like to have. However, bearing that in mind, Mr. Elston.

Mr. Elston: I am looking at your particular situation and some of the original comments you made about your degree of independence. Is it fair to say that the corporation is almost akin to another ministry within the government operation; you are really accountable to no one other than via setting up a strategy?

Dr. Chant: That is an interesting question. When Dr. Parrott announced the creation of the corporation in the Legislature a year ago last November, he made reference to a schedule 2 crown corporation, which apparently has great significance. Ontario Hydro is a schedule 2 crown corporation, as is the Liquor Control Board of Ontario.

We are not a schedule 2 crown corporation, because it does not say so in writing anywhere, but we are on the threshold of the minister and myself signing a memorandum of agreement between the corporation and the ministry which will make formal that designation as a schedule 2 crown corporation. The corporation will

always report through the ministry, as Ontario Hydro does through the Minister of Energy, but I think the minister—I do not want to put words in his mouth—

Mr. Elston: That is a terrible sort of comparison to make. You are treading on very thin ice.

Hon. Mr. Norton: It raises all kinds of spectres in the minds of some people.

Dr. Chant: There is a big difference at present. We do not make any money. But I will not put words into the minister's mouth.

I think it is in the mutual interest of everybody if the corporation maintains as much arm's length from the ministry as it possibly can. We sometimes get uncertainty about this when we go out and around the province. We are not the regulators; that is, the corporation is not the regulator. We will be subject to the regulations just the same as everybody else will and, parenthetically, will set a standard of excellence that other people will have to live up to. But that remains to be seen. We do want to be at arm's length and seen as not being the government, if I can put it that way; we want to be seen as the corporation.

Mr. Elston: I have several other questions, but one in particular we are concerned about is the polychlorinated biphenyls problem we have in Ontario. It will not go away or will not move from the current sites where it is located.

In your overall program of disposing of or eliminating PCBs, for instance, as one element of liquid waste, would you consider taking up and funding private individual programs designed to destroy the PCBs, such as the site Smithville was experimenting with, if you felt that was the best way of dealing with that problem, as opposed to having it brought to a site and dumped or stored at that site?

Dr. Chant: It is a very hypothetical question. If we'd had a crown corporation 10 years ago and I had been head of it, before anybody knew that PCBs had certain disadvantages and dangers, probably the corporation would have said: "Here is another class of liquid waste. We are in the liquid waste business; so we will do it."

Whether the corporation wants to start off its young life, still in diapers, saddled with a problem that has been growing for 35 years in this province, is a good question, and we have not resolved it. I can give you the facetious answer that I hope, by the time our facilities are up, the PCB problem will have been solved by somebody else.

Mr. Elston: It is being eliminated slowly through some of these midnight operations you have mentioned.

Dr. Chant: That's right. But I do not—

Mr. Elston: That is what we are concerned with.

Hon. Mr. Norton: Any time you can give evidence of that, I would appreciate it.

Mr. Elston: I can't.

Hon. Mr. Norton: Do not withhold it. Tell us who is doing it, and we will find out where it is going.

Mr. J. M. Johnson: Dr. Chant, I am extremely sorry that we only have half an hour to discuss what to me is an extremely important issue. I am sure all the committee members agree.

I would like to relate to the experience we had last January when we visited Ebenhausen in Bavaria, West Germany, Denmark and a couple of other places. One thing I am reminded of is a comment made by some of the people in Denmark. They stated the politicians had to have the political will to do something. This is one of the things we lack here.

We have the problem. As I understand, last year we had 50 million gallons of industrial liquid waste to dispose of; I understand it is 100 million gallons now. It is something all of us are and should be concerned about.

We have to do something. There is no problem way that we can resolve it by finding a way acceptable to everyone. If someone suggests that it come to my riding, I would be as much opposed as anybody else. That is a fact of life. But we do have to resolve the problem. It is serious and getting more serious, and if we do not do something about it we are really going to be in trouble.

One concern that I have is not getting across to the people. The public is not really aware of the magnitude of the problem or the seriousness of it. Some people think this is something derived from chemicals used in the making of nuclear bombs or something. But it is not; it is everyday chemicals that we use in printing presses and so on, plastics, etc.

One area that could be communicated to the public is that it is everyday materials we use in creating the problem Dr. Chant has addressed. The public should be advised that housewives who are using these everyday products are contributing to the problem that Dr. Chant and we members of this Legislature have. If

cept the fact that they are contributing to it, maybe they will accept the fact that they have to help to alleviate the problem.

We are looking at one site today, and before too many years we probably will have to be looking at a second or third site. The treatment plant we saw at Ebenhausen was an excellent example of a type of plant that was acceptable. There was a subdivision on the one side of it and a farming community on the other side. We spoke to the people in the area, who seemed reasonably satisfied that there were no problems. If people realized that we can operate a satisfactory facility without creating environmental problems, they will accept it.

Mr. Elston: I am sorry; I do not like to object, but you said we are looking at one site today and might have to be looking at two or three in the future. I noticed Dr. Chant nodding in agreement, but his opening remarks indicated that they are looking at a decentralized system at this time.

Dr. Chant: The ball game is absolutely wide open. It is a case of a single site—

Mr. Elston: Are you going towards a single site?

Dr. Chant: We are not going towards either. We are going to do a study of the advantages and disadvantages of that approach.

Mr. Elston: Okay. I noticed your agreement when Mr. Johnson mentioned a single site.

Dr. Chant: I tend to nod my head when I understand the words. It does not mean I agree with them.

Mr. Elston: I wanted to be very sure.

Mr. J. M. Johnson: It is a problem we all have. Give Dr. Chant credit if he can resolve it. I hope we can consider that all members of the Legislature, all three parties, support whatever proposal he can come up with.

I will close by simply saying that when I was in Denmark, it was impressed on me that the people in Copenhagen marched in support of the government doing something to resolve this problem of industrial liquid waste. In Canada and in Ontario, we find the opposite. I hope that the members of the Legislature have enough common sense to support Dr. Chant in whatever program he can come up with to resolve this problem.

Dr. Chant: May I just make three comments? I realize that you are pressed for time. First, there is the matter of political will. There are

three key elements of that, one of which is now behind us. The first element was creating the crown corporation, which I personally think was absolutely the right thing to do.

The second element is the political will that will be required when we select a site or sites, because they are going to be in somebody's riding or ridings. As I recall the act—or the order in council; I can't remember which—when we do select a site, the Lieutenant Governor in Council will have to approve that site. That is going to take political will.

Thirdly, it is going to cost money, a lot of money, and that will require political will as well.

I agree entirely with Mr. Johnson that we are all part of this problem; that it is not just industry. But, of the thousands of people we have met with, very rarely has that philosophy been challenged. They are a selected group of people who are concerned, or they would not be there, but the gamut runs from industrial organizations through elected municipal officials to citizens' groups.

10:30 p.m.

I will tell you a small anecdote. I met with the executive committee of the Ontario Federation of Agriculture during the winter. I believe its executive committee has 150 members. There is a moral there. One good gentleman, a farmer, stood up and said: "Why are we even here, Dr. Chant? What on earth has this to do with me? I have nothing to do with liquid industrial waste at all." The whole room, all the heads, turned around and looked at him as if he were a lunatic.

Those other people knew the part they played in the creation of industrial waste. It is not guilt; it is responsibility. One buys a tractor, a tire, a washing machine, a suit of clothes or a newspaper and somewhere, somebody creates liquid waste in producing those products we want. We are all in this together. That is a message we all should carry as often as we can.

Finally, over the winter I met with the Liberal caucus, as the member for Haldimand-Norfolk (Mr. G. I. Miller) will recall. We would be happy to meet with the NDP caucus and with the Conservative caucus if you want to pursue these questions in more detail, given the shortage of time we have tonight. Any time you want us to come and talk to you, we will.

Mr. Chairman: Thank you very much, Dr. Chant. I am sure the respective caucuses appreciate the offer. We will take that back to them. I

suspect we are at the time when we are very close to concluding these estimates.

Vote 2104 agreed to.

Mr. Chairman: Unless the minister has anything further to add, this concludes the esti-

mates of the Ministry of the Environment. I thank the committee members, the minister and all his staff for participating and being available.

Tomorrow morning we will be on the estimates of the Ministry of Natural Resources.

The committee adjourned at 10:33 p.m.

CONTENTS

Tuesday, June 8, 1982

Environmental assessment and planning program:

Water resources. R-25

Environmental control program. R-27

Waste management program. R-27

Adjournment. R-27

SPEAKERS IN THIS ISSUE

Charlton, B. A. (Hamilton Mountain NDP)

Elston, M. J. (Huron-Bruce L)

Haggerty, R. (Erie L)

Harris, M. D., Chairman (Nipissing PC)

Johnson, J. M. (Wellington-Dufferin-Peel PC)

Kolyn, A. (Lakeshore PC)

Martel, E. W. (Sudbury East NDP)

McGuigan, J. F. (Kent-Elgin L)

McNeil, R. K. (Elgin PC)

Norton, Hon. K. C., Minister of the Environment (Kingston and the Islands PC)

Sweeney, J. (Kitchener-Wilmot L)

Wildman, B. (Algoma NDP)

Williams, J. R. (Orillia PC)

From the Ministry of the Environment:

Chant, D. A., Chairman, Board of Directors, Ontario Waste Management Corp.

Crabtree, P., Niagara River Co-ordinator, West Central Region

Giles, W., Assistant Deputy Minister

Kinhead, J. D., Head, Investigations and Assessment Unit, Great Lakes Section

Jeffs, D. N., Director, Water Resources Branch

Macfarlane, C. J., Director, Waste Management Branch

McTavish, D. A., Regional Director, Southwest Region

Mierzynski, G., Regional Director, Central Region

Mills, G. H., Regional Director, West Central Region

Salbach, S. E., Supervisor, Quality Control Section, Water Resources Branch



No. R-11

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Resources Development
Estimates, Ministry of Natural Resources



Second Session, Thirty-Second Parliament
Wednesday, June 9, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back of the issue together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, June 9, 1982

The committee met at 10:08 a.m. in committee room 228.

ESTIMATES, MINISTRY OF NATURAL RESOURCES

Mr. Chairman: I call the meeting to order. We are meeting today, as I indicated last night, to review the estimates of the Ministry of Natural Resources.

Hon. Mr. Pope: I do not know if there are any here, but I would like to congratulate members of all parties of the House who are celebrating their fifth anniversary today.

Mr. Laughren: Are you one of them?

Hon. Mr. Pope: Yes.

Mr. J. A. Reed: I feel venerable.

Hon. Mr. Pope: Now that we have started with that, there are some documents at the end of the table that were tabled late yesterday afternoon with the Clerk of the House. They are the regional strategy plans for northwestern and southern Ontario. The northeastern Ontario estimates are coming over in about an hour. They are just being Xeroxed because we did not have copies available in the same form.

We also will make available at various times during the estimates the district land-use plan documents that have been circulated. We will try to get copies of them over. If there are any particular districts the members wish to have copies of, we will try to get them immediately. I am honoured to present for the review of the committee the ministry's estimates for the fiscal year 1982-83 and I am pleased to appear before you to highlight some of the reasons why I think this year has been an eventful one and will be an eventful one for the Ministry of Natural Resources and for all of our employees who have been working for the ministry in different districts and counties in Ontario.

Mr. Laughren: You mean most of them?

Hon. Mr. Pope: Some of them are not working now, one anyway.

Mr. Laughren: Sorry. I will refrain from making interjections.

Hon. Mr. Pope: First, with respect to land use planning, I believe an achievement of some

great significance will take place this September when we complete the district land use plans covering the entire province. It is my hope that these plans will provide Ontario with a framework and a set of operating guidelines for subsequent resource management planning. I believe such planning will permit effective and efficient management of our natural resources into the next century. In our planning documents we have set a 20-year time frame for this management planning.

The land use planning process has been the most complex and comprehensive undertaking of its kind in Canada. I believe it has been one of the largest-scale efforts of this type in the world and is based on the most modern planning concepts. In essence, the basic premise we are working from is that the land base of Ontario is capable of a great many uses and each use requires its own management rationale and techniques. This process then consolidates all the planning elements into an integrated framework which reflects the policies, goals and objectives that have been adopted by my ministry and this Legislature over the last several years.

Our ultimate goal in resource management is to derive the greatest possible benefit for all Ontarians over the long term. We must never lose sight of the fact there are many groups and individuals who have different views towards specific resources. Reconciling these competing claims on our common resource base, yet remaining aware of the need to sustain and conserve these resources, is an exercise in the public interest that will be much easier once we have completed the district land use plans.

First, we have to find out what people want. Consultation with interest groups and members of the general public has always been a vital part of our land use planning exercise. As minister, I have encouraged this consultation, making it one of the major thrusts of policy development within the ministry. I happen to believe public consultation of the form and type we are doing is valuable for a number of reasons.

It sometimes shows us where or how we can improve our program. I could cite a number of examples where local people have told us how

we might do something more effectively, cheaper or faster. Public consultation also creates an atmosphere of mutual understanding where potential conflicts can be resolved. We have found that informed sessions, such as work shops or open houses, encourage constructive criticism and also encourage comment from a wide range of the public. Public consultation also allows us, as a ministry, to inform people about the resource management opportunities and problems and then explain how we have been or will be dealing with them. In many cases, public consultation leads to public support, adding to the effectiveness of our resource management decisions.

At present, we are in the process of preparing district land use plans and strategies for each of the ministry's 47 districts. The general public in some parts of both northern and southern Ontario has already had a chance to review the background material we are using for these plans and strategies. This background material, as amended by virtue of public comment, will form the basis for the optional district plans for resource management in northern districts and for district land use strategies in southern Ontario.

Some southern districts which have not yet held these background open houses will hold them this month. A second series of meetings will provide the opportunity to review the plans and strategies themselves in great detail. These are presently under way in northern Ontario and will be held in August in southern Ontario. A schedule of locations, dates and times has been distributed and newspaper advertisements have been run throughout the province to invite everyone to take part. We want to encourage as much participation as possible.

As I said earlier, we need public input if we are to plan Ontario's resources to meet the long-term needs of as many people as possible. I believe our forest management agreement program is an excellent example of the importance of public consultation. I will have more to say about forest management agreements later. Let me note that all new forest management agreements are developed with public involvement from the earliest stage.

Maps of the various areas that come under a particular agreement are displayed for public review and comment. We then hold an open house to allow individuals and groups to examine the proposals in more detail and make comments. These meetings are announced in the local media six weeks before they occur.

Ministry staff note any amendments proposed by the public both before and during the open house. Submissions are accepted up to three weeks after the meeting. We formally receive record and answer all suggestions.

If no significant changes are proposed, the ministry confirms as soon as possible the nature and extent of the proposed forest agreement area and lists both the company and those who have made submissions. If significant changes are contemplated, the ministry informs the company. The ministry and company staff then evaluate the impact of the proposed changes on the company's activities, on annual allowable cuts and on proposed forest management practices.

We have been very encouraged by the impact of our public consultation efforts have had in the forest management agreement process. One example is from my own area in the Iroquois Falls forest with Abitibi-Price. There is an area called Long Point, which borders on Lake Abitibi, that was excluded from the forest management agreements because it provided some recreational and camping opportunities for the people of the Iroquois Falls-Matheson area. This was raised by a number of interest groups in the area at the open houses, and arrangements were made to delete that area from the FMA.

I believe the whole process ensures that agreement areas are truly areas where many of the province's land use objectives are met. Another example, on the wall before you is a copy of the map that was used for the Spruce River forest management agreement, which is in northwestern Ontario near Dorion, north of Thunder Bay, bordering on Lake Nipigon. The map shows some of the competing uses in terms of sensitive trout streams and lakes, cottages, lakes, waterway parks, canoe routes, wilderness park proposals, public access points, tourist outfitters' operations in the area, nesting sites of mineral potential and a number of other exclusions that are noted in the code on the wall. I just wanted to give that as one example.

We do have a smaller paper map with the exclusions noted in general terms on it. If any of you would like that, we can provide it. Because of the size of the area, it is difficult to get it exact as that map is. That can give you an idea of the types of resource conflict we are trying to deal with and the types of public interests that are affected. Starting with this first one, we believe there has to be some form

consultation with the public in protecting these other resource or land uses in the area.

We are also committed to public consultation on other resource management planning programs. For instance, as a reflection of my concern that the public have its full say in the West Patricia land use planning exercise, I extended the deadline for this plan to December of this year. Public consultation is an integral aspect of our provincial parks system planning and is a key part of our strategic plan for Ontario fisheries. In wildlife management, we have also invited public participation in the development of programs for moose and deer management.

Road building is a key part of our forest management and an element of our employment-generating programs. This, too, is being submitted for public scrutiny in the planning stage. Access to the Minaki and Pakwash management units north of Kenora is an example of that process. Comment and input from all interested parties are considered an integral part of the forest access road planning process. We can guarantee that our resource management will be compatible with other land uses now and in the future only if at the early planning stages we build in the greatest possible degree of public participation. That is what we are attempting to do.

Another vital aspect of our land use planning is the ability to consider multiple use resource management, ensuring that all components get balanced consideration. A major step in this direction came in March when, as some of you may recall, I tabled the report of the Task Force on Parks System Planning. The completion of this undertaking permitted full integration of parks planning with the other components of our major land use planning program—things such as forests, minerals, fish, water and wildlife.

9:20 a.m.

As I mentioned earlier, the main reason we are bringing these elements together is to provide opportunities for balanced consideration at district open houses in accordance with our philosophy of multiple use land management.

The work of the parks system task force, or the Monzon report as most people call it, now guarantees that parks options will receive maximum consideration in a broad planning process and be fully balanced against other objectives such as forest management. The report identifies some 240 candidate parks. These are areas that may eventually become provincial parks, some sooner than others. I believe this repre-

sents a major achievement and one that could provide for the expansion of our parks system into the future as needed. This is something I am confident most Ontarians would welcome.

The task force brought together work that has been progressing in recent years at both regional and district levels. The proposed candidate parks are being presented for public consideration at the district open houses this spring and summer. By demarcating these proposed candidate parks, we are reflecting our long-term goal of providing a wide variety of outdoor recreational opportunities, while protecting natural, cultural and recreational environments.

To meet this goal, I believe we have to concentrate on four particular objectives. First, we must protect provincially significant elements of the natural and cultural landscape of Ontario. Second, we must provide provincial park outdoor recreation opportunities, ranging from high-intensity day use to wilderness experiences. Third, we must provide opportunities for exploration and appreciation of Ontario's natural and cultural heritage. Fourth, we must provide Ontario residents and out-of-province visitors with the opportunity to discover and experience the distinctive regions of the province.

It was at my direction that the master planning, which had been under way for a number of specific parks, was set aside until the overall parks system planning, and particularly the new proposals for candidate parks, could be put into action. This fall we will take up the master planning work once again. We will seek public comment on draft plans that have not yet been approved at our strategic land use planning open houses that are being held this spring and summer and implement those that have been completed and approved.

We expect to complete master planning for all parks in Ontario as quickly as possible after that. It will be one of our planning priorities. In the meantime, we are proceeding to incorporate parks systems planning into the district land use planning process. For those who wish to examine it in detail, the task force report—or the Monzon report—is available for review at all ministry district offices, and we can make copies available for any member of the committee on request. In addition, the task force suggested the need to review a number of provisions in our blue book, the Provincial Parks Planning and Management Manual. This

document will also be available for public review and comment at the open houses.

I am fully committed to the development of the parks system. We know it is one of the finest parks systems in the world as it now is. It provides not only natural, recreational and heritage education for our people, but has developed into a significant tourism attraction for our province. It is my hope that we can bring a number of the less costly proposed candidate parks under regulation as early as next year to provide an even more plentiful and attractive range of experiences.

We use a classification system to determine the best way we can meet our parks objectives. We divide parks into six classes: wilderness, natural environment, waterway, recreational, historic and nature reserve. Some parks exhibit many or all of these characteristics while others are limited to a specific kind of experience. Each type of park enriches our province in a different way. The staff of my ministry developed a slate of proposed candidate parks by calculating the ideal number for each class. We believe this effort to be the most extensive undertaking of its kind ever initiated in North America.

The proposals for new candidate parks include some outstanding potential additions. For instance, there are a number of waterway candidates in both northern and southern Ontario for canoeing enthusiasts. We have also included some 80 nature reserves of scientific interest as well as a number of historic and recreational sites.

All sites will receive further consideration. Many are already under some form of protection under our previous systems. Some are under almost no pressure from competing land uses. However, others require more detailed field studies and must be managed to ensure that the opportunity to achieve park objectives in the future is maintained. Many of the proposed areas contain features that would be damaged if measures were not taken to protect them. If they are designated as provincial parks, they will come under the same strict regulation as existing parks.

We know from the planning work we have done so far that most of the proposed candidate parks will not compete significantly with the long-term achievement of other program objectives. However, others do contain valuable resources that are needed to meet existing resource production commitments. If access to these areas is eliminated, it could cause signifi-

cant difficulty for local economies and bring hardship to local communities. Fortunately several of the areas proposed can support resource use on an interim basis or under restriction without causing significant permanent damage to their future value as parks.

Recognizing this, we have adopted a policy of interim use for areas identified as candidate parks after the district land use plans and strategies have been completed. We will protect these candidate parks, yet we will permit other resource uses as long as such uses are compatible or will not cause significant permanent damage. Specifically, we will allow mining exploration in identified candidate parks, but on an interim basis under controls necessary to protect park value. Some key areas may be exempt from exploration entirely.

We developed the interim use policy within the framework of our multiple use approach to land management. Again, this means giving full recognition to recreation, wilderness opportunities and other parks' values, yet always keeping sight of the fact our resources are also extremely important to our provincial economy. You can see that parks planning is but one important part of our overall resource management planning.

This whole area of conflicting use and planning has been rather controversial in different parts of Ontario this year. There have been a number of forums held, particularly in northwestern Ontario, sponsored by various groups as a result of information made available in the background information papers. A number of people who have specific concerns to protect certain resource uses of the land base have been quite vocal and quite helpful in terms of the arguments they have been advancing.

Once full opportunity has been provided for an open and public discussion of the issue using a variety of forums which we intend to follow through on in the late summer and early fall—and we do not see that full opportunity has been provided at this time—we may be able to get some of the groups with conflicting interests together to work out some compromises or at least minimize the number of issues that bring them into conflict.

I think there has been a growing recognition in different parts of the province of the need to resolve some of these conflicts by seeking middle ground, not only in boundary areas but also in terms of the nature of the resource extraction to be allowed. Some controls and conditions must be added to protect significant

ark, wilderness and wildlife values, not only for the people of the communities directly affected in the area of the land-use plan, but also for the people of Ontario to protect provincial interests.

That is what we hope to do once we have received specific information and advice from all the interest groups plus the individual people who live in the communities throughout northern and southern Ontario.

9:30 a.m.

Land-use planning is crucial if we are to meet our responsibility to manage our resources wisely and well, both now and in the years to come. Equally crucial is our responsibility in the short term to help alleviate the economic hardship in our resource-based communities. We must make sure the current economic slump does not result in the loss of skilled workers who will be needed to fulfil the backlog of demand for our resource products once the economy turns around.

Layoffs of sawmill and other forestry workers, for instance, have threatened the economic security of some communities which depend on forestry. In some cases, these laid-off workers present a substantial proportion of the work force, or even the entire work force in single-industry communities. Thus there is potential for major social and economic disruptions if workers must relocate to find employment.

The workers and their families lose because they are forced to find new homes and new jobs and the communities lose valuable citizens. The companies lose their skilled workers, workers who will be sorely needed when the economic recovery comes. So we can see it is to everyone's advantage to create local employment opportunities, to provide incentives to these workers to wait out the economic slowdown.

That is why I was so enthusiastic earlier this year to learn an opportunity existed to help many of these workers go back to work by using special section of the Unemployment Insurance Act. Last February, in collaboration with the Honourable Lloyd Axworthy, federal Minister of Employment and Immigration, I was able to announce a \$10-million employment support program, called the accelerated forest improvement program. This program allowed us to use funds from the unemployment insurance fund and money from the provincial Board of Industrial Leadership and Development to create employment for many workers.

It is basically a bridging measure, one that allows companies to rehire skilled workers who

are receiving unemployment insurance. These companies, as well as eligible municipalities and other organizations, can then offer an enhanced pay package with workers receiving 25 per cent more than their allowable UIC benefit. My ministry, through BILD and the provincial government, contributes \$60 a week plus a family protection benefit package which includes 100 per cent of workmen's compensation and OHIP. The companies invoice the Ontario government for a portion of the equipment costs approved for use on a project as well as the employee benefits.

Not only does this program provide employment, it helps us to accomplish many necessary resource management jobs, such as developing nurseries and building access roads into forests. Workers are employed at rehabilitation and reforestation jobs, rather than their usual jobs, which will continue to increase the inventories of the companies. Activities being funded under this program include silviculture, nursery development, forest access road construction, fire hazard reduction and forest protection.

This was not conceived as a make-work project in the usual sense. It does not create jobs for unskilled workers. Rather, it helps workers who have proven they are skilled employees but who are facing a relatively short-term period of unemployment.

My ministry is co-operating fully with companies in the development of their programs. Our district offices are helping interested firms to prepare applications for submission to the federal-provincial committee under the accelerated forest improvement program. A task force, as I mentioned, representing both the federal Department of Employment and Immigration and our ministry, is implementing this program. Their duties include preparing project descriptions, as well as organizing the materials needed and working with Canada Employment and Immigration, BILD and the Ontario Treasury.

As of last week—and we have done more this week—we had signed 20 agreements under the accelerated forest improvement program and we are concluding negotiations on a further 12 proposals. Companies that have signed agreements are: Newaygo Forest Products Ltd.; Chapleau Forest Products and McChesney-E. B. Eddy, all of Chapleau; Kearney Lumber, Dombroskie and Sons Ltd. and Murray Bros. Ltd. of Algonquin Park; Levesque Lumber Co. Ltd., Newaygo Timber and United Sawmills Ltd. of Hearst; H. Block and Cheminis Lumber

of Kirkland Lake; Weldwood of Canada Ltd. of Sault Ste. Marie; Per-El Wood Products Ltd. of Lindsay; Malette Lumber Inc. of Timmins; G. W. Martin Logging Ltd. of North Bay; Domtar Inc. of Tweed; Newaygo Forest Products Ltd. of Wawa; Domtar Inc. of Cornwall; Domtar Inc. of Nipigon; and Foothills Timber Ltd. of Atikokan.

Companies with proposals under consideration are from Nipigon, Sioux Lookout, Atikokan, Thunder Bay, Tweed, North Bay, Temagami and Lindsay.

In April I announced a similar program to aid unemployed mine workers, also in co-operation with the federal Department of Employment and Immigration. The Board of Industrial Leadership and Development is contributing a minimum of \$5 million to this special mining employment program.

Since April we have concluded negotiations for several Sudbury area projects involving the regional municipality of Sudbury and the north's new science centre. In Timmins we have signed agreements with Pamour Porcupine Mines Ltd., in co-operation with the city of Timmins, to proceed with land rehabilitation projects.

Other potential projects are being negotiated with these same groups, as well as the Mining Corporation of Canada, Pan Silver Mines of Cobalt, the municipality of Cobalt and groups in Red Lake and Kenora. Furthermore, in anticipation of summer layoffs at Madawaska Mines in Bancroft, my staff is working with local officials to begin a similar project there.

Laid-off workers are being rehired under this program for such activities as land reclamation, including mine capping and mine tailing rehabilitation to provide wildlife habitat. Workers replace topsoil, plant trees and create ponds and marsh areas. Some of the projects include creation of hiking trails and beautification projects as well. So far, this special program provides almost 600 short-term jobs, or almost 10,000 weeks of work.

As announced in the budget on May 13, BILD will provide funding for the accelerated capital projects program and the co-operative projects employment fund.

In addition to the programs I have just discussed, which are part of the co-operative projects employment fund, my ministry is receiving \$7 million for the accelerated capital projects program. Of this, \$2 million will be used to maintain and improve our commercial sports fisheries. About \$1.5 million of this \$2 million will be devoted to improving our own fish

hatcheries and the remaining \$500,000 will be spent to improve natural habitat.

We have received an additional \$5 million for timber management. This includes \$3 million to employ workers to construct and maintain access roads and \$2 million to expand tree nursery facilities. The federal government is reimbursing half of the \$3 million we are using for our access road projects.

The co-operative projects employment fund is an expansion of the two federal-provincial programs I described earlier. The province has committed \$15 million in total to this kind of program. My ministry is currently working on three other programs under this funding that will be announced shortly and, quite frankly, their impact will be in southwestern Ontario where the two previous programs I have announced have had very little impact.

Turning to roads, in the speech from the throne, this government made a commitment to accelerated road construction as a means of ensuring access to our forest resources and, at the same time, providing hundreds of jobs. A first-class road system to access remote areas of the forest for harvesting is essential if we are to obtain maximum economic benefit from all our woodlands, and provide improved fire protection. In particular, we lack road access to large areas of overmature timber still found in many parts of the north. It is imperative that the forestry industry use as much of this timber as possible while it is still merchantable.

Mining and tourism, along with forestry, are the mainstays of the economy of almost all of the north and all will benefit. An improved road network will tremendously enhance prospects for prosperity in northern Ontario. The advantages of an improved road system in the north are closely related to efficient management of our resource base. Not only will improved roads permit companies to harvest currently inaccessible timber, but a good road network will enable us to further encourage smaller area cuts, strip cuts or shelterwood cuts, and it will also provide opportunities for regeneration. These factors are gaining in importance as we put forest management agreements in place with the provision that forests be managed for sustained yield.

10:40 a.m.

Road building is also encompassed within the \$45-million allocation that my ministry has received from the BILD program for forest regeneration. The FMAs themselves called for extensive road building and upgrading. In the

programs my ministry or BILD will pay more than \$36,000 per kilometre for primary road construction of access roads. We will pay more than \$18,000 per kilometre for secondary construction and \$365 per kilometre for road maintenance. In the period between 1982 and 1983 we expect that 925 kilometres of agreement forest roads will be constructed at a cost of \$20 million.

Under the forest management subsidiary agreement, funded equally by the federal and provincial governments, \$54.5 million has been allocated for the period 1980-86 to provide 1,609 kilometres of new roads. Roads constructed on crown management units are cost-shared 50-50 with the federal government. Our regular resource access program is funded jointly by my ministry and the Ministry of Northern Affairs. In 1981, 30 kilometres of road were built under that program.

An improved road network will benefit all the people who live in the north. Roads provide access for mineral exploration, commercial fish and fur operations, tourism development and public recreation. All the main access roads we subsidize or build are open to the public. We are careful to plan locations so as not to jeopardize critical wildlife habitat and we also respect the opportunity for wilderness experiences offered by outpost camps. Like all natural resource decisions, these are made from the standpoint of our multiple-use philosophy, recognizing wilderness as one among a number of valid claims on the land base.

Last March two new forest management agreements were signed, bringing the total in force to eight. Our aim is to have approximately 30 FMAs covering virtually all major forest harvesting operations in Ontario by 1985. The two agreements that came into force this year were: the Lake Nipigon forest management agreement with Domtar Inc. and the Black River forest management agreement with Ontario Power Corporation. Both forests are in the Thunder Bay area. We have maps on the table over the table, similar to those on the wall, for those two forest management areas. If anyone wants to see them, we will roll them out.

It is the case with the other FMAs, these companies have agreed to accept responsibility for forest regeneration and other management practices. If they do not, their rights to harvest are reduced accordingly. This guarantees a continuous supply of forest products by ensuring that forests are harvested and regenerated on a sustained yield basis.

The agreements require each company to regenerate defined lands, where this has not been done satisfactorily, at a rate of five per cent a year. Therefore, 100 per cent of the forest will be regenerated over the 20 years of the agreement. Each agreement specifies the area to be regenerated. The agreements also give full consideration to equally important resource uses such as wildlife management and outdoor recreation.

I should indicate that our process has been changed in the last year and a half and we now have, at both the head office and a district office level, input at the initial planning stage from all branches of the ministry, including our parks branch, our fish and wildlife branch and our lands and waters branch. Their planners are involved in examining the area and are doing some initial research on the land base itself. They are involved in the discussions with respect to limitations and cutting practices and any exclusions and exemptions, permanent or otherwise, from harvesting activities by the companies.

I should also point out that these areas now subject to forest management agreements are under licence, and have been for some time, to various forest product companies. For a number of reasons, some areas have been withdrawn from cutting under the agreements I have just mentioned. For example, under the Nipigon forest management agreement, a 125-metre reserve around Rosalyn, Upper Rosalyn, Beaty, Cosgrove and Pasha Lake are excluded to protect the lake trout fishery.

There is a 300-metre shoreline reserve to maintain recreation quality along the shores of Lake Superior, Lake Nipigon and the Nipigon River. Further exclusions cover the Livingstone Point Park reserve and the Gravel River candidate nature reserve. There are reserves around cottage subdivisions, access to town sites, mining lease and patent areas, gravel reserves and waste disposal sites.

Also protected are other lake and stream shoreline reserves, water recharge areas, access points, crown land camping areas, canoe routes, remote cottage sites, scenic views and heron rookeries, outpost camps and reserves along major travel corridors. To protect fragile areas, cutting will be deferred on shallow sites, lowlands and blow-sand deposits. Harvesting in such areas will be done in such a manner as to protect the area's productivity from an ecological standpoint.

The same principles have been applied to the

Black River forest management agreement. For instance, forest reserves have been placed along Black River south of Highway 17 and in parts north and around Ross Lake. These areas are prone to erosion, and excessive silt in the water system would harm fish habitat and limit recreational use.

To give another example, a portage area at the junction of the Black and Macatagon Rivers has been excluded from cutting. Pickerel and trout spawning sites throughout the area are excluded. Standing timber around Pan Lake will not be cut because it is an excellent aquatic feeding area for waterfowl and moose.

Forest reserves also cover moose concentration areas, source areas for important watersheds and special recreational areas. I think these examples illustrate clearly the fact that our forest management agreements, like other components of the land use planning process, are developed within the framework of our philosophy of multiple-use resource management. Not only do the FMAs ensure that our forest products resource will be sustained over the long term, but they also guarantee wildlife conservation and recreational opportunities.

Our forest management and utilization is supported by a full research program. We are already experiencing some promising technological developments in the forestry area with new and better methods to regenerate and make use of our forests. We collaborate closely with harvesters as well as manufacturers and users of wood products. We are constantly aiming to produce more trees, better trees and faster-growing trees, both in northern and southern Ontario.

Besides the highly successful hybrid poplar program which is gaining worldwide recognition, ministry researchers are investigating the potential of other fast-growing species, such as aspen and willow, to produce higher biomass volumes. Fibre from those trees may be used as a fuel source or to make products ranging from adhesives to animal fodder to artificial sweeteners.

Board of Industrial Leadership and Development funding was recently awarded to an Ottawa research laboratory to develop composite laminated lumber from smaller pieces of wood. Forintek Canada Corporation has received \$1.6 million to develop a sliced, laminated and trimmed—or SLAT—technology to allow larger-sized structural lumber to be mass-produced for general construction applications. This means we could get two by fours, or their metric equivalent, which would be high-strength, lami-

nated lumber products composed of small sawn fence size wood slats.

This would alleviate the problems our mills are having in getting the large, high-quality logs they need for larger-dimension structural lumber. We have substantial quantities of small wood, particularly in eastern Ontario. The success of the SLAT program will mean that this can be turned into structural lumber and mean jobs and income for Ontario's sawmill industry located in eastern Ontario.

We have made a lot of progress in our forest management program. We have reduced waste, tackled underutilization of trees in the cutting process and further developed our marketing network to permit more efficient use of our forests, but there are still areas where we are not profitably using wood that is being wasted now.

Central and southeastern Ontario also have large surpluses of wood which could be used by the industry. Much of this fibre in southeastern Ontario is in smaller diameter or lower quality logs. It is not currently used because there are no suitable processing facilities in the area. Freight costs to ship the wood to the nearest pulp mill would make delivered wood quite expensive.

10:50 a.m.

I have sent letters to 19 major Canadian forest companies inviting them to consider ways to use this fibre, which is best suited as pulpwood or as raw material for products such as particle board and waferboard. In addition, we ran an advertisement inviting other interested companies and other individuals to take part in this business venture.

I will consider joint studies with interested companies to determine under what conditions construction of new facilities in the Bancroft area will be economically feasible. Projects which might provide employment opportunities in the Bancroft area are of particular interest to my ministry. I anticipate that many new jobs could result if plants and equipment can be put in place to use this excess wood.

Overall, my ministry wants all sections of the wood products industry to become aware of the need to integrate our efforts and make the best use of this resource. We are working hard to provide superior trees, but it is equally important to achieve full utilization of all timber resources.

In March I ordered a review of the wood utilization practices of the forest industry in Ontario. It was in response to concerns expressed by a number of groups over possible short-

of wood supply in the future. Certainly, more efficient use of wood will provide a partial solution to the long-term supply question. For instance, it is estimated that every day in the Toronto area up to 1,000 tons of wood are dumped. This includes bits and pieces dumped by industry and wood discarded from construction renovation sites. A great deal of this wood could possibly be salvaged and used, possibly by chipping or pulping it.

The review is being undertaken by a joint industry-government committee. Its terms of reference include reviewing definitions and classifications of wasteful practices, examining penalties and procedures applicable to inadequate utilization, assessing the impact of utilization practices on wood supply and the cost of forest regeneration treatments and reviewing the practices followed in other jurisdictions.

I hope that this committee will be able to ensure that we have the proper policies, incentives and penalties to manage the resources in the best possible way. If the committee's work supports my contention that utilization practices may have a significant impact on wood supply and cost, we will seek stronger safeguards.

The way we have been helping some of our forest products companies weather the current economic slump, particularly in dressed timber, has been to defer their payments of crown dues and charges for timber. Starting last December, we have held back on billing the companies for up to six months. Interest charges on the amount due are also being deferred until the final bill is presented.

We decided to do this after I was approached by a number of smaller sawmill operators who were particularly hard-hit by problems resulting from high interest rates. The policy has only been applied in the most extreme situations and applications must show adequate justification for receiving this aid.

Last month I had the honour and pleasure of taking part in a ceremony to mark the diamond jubilee of agreement forests in Ontario. These forests represent a major achievement in resource conservation. Sixty years ago many parts of southern Ontario were literally dust bowls because of improper harvesting of the forest and overcultivation by farming. The land base was seriously deteriorating.

Local politicians and farmers, along with provincial officials, began a major program of reforestation. They started in the Simcoe county area. As a result, we have halted massive

erosion, stimulated forest management and provided outdoor education and recreation opportunities. We have also protected water resources and created wildlife habitats, yet still managed to grow more than a quarter of a million acres of productive forest.

The agreement forest program was my ministry's first experience in managing resources through other agencies. It is the force behind such programs as the present woodlands improvement assistance program which has improved some 360,000 acres of woodland in co-operation with 9,100 private owners.

The intensive management we now practise on crown land was developed in the agreement forests. They led to new tree-planting techniques, prescriptions for tending plantations, the first machinery, the planning and beginnings of a provincial nursery system and a new philosophy of forest cultivation.

The agreement forests have been managed on the understanding that trees are a manageable crop. By growing forests, we can promote new growth while providing local jobs, products and revenues. As you are all aware, Simcoe county was awarded the forestry capital of Canada award for 1982 by the Governor General in recognition of its achievement in agreement forests.

It is truly an example for other jurisdictions and one for which Simcoe county is to be sincerely commended. County officials have established a reserve fund, for instance, to acquire suitable land for reforestation as it becomes available. If no such land is available in a particular year, the fund is allowed to grow. Money from the sale of forested land for rights of way and easements goes directly into this fund. I believe it is an excellent program.

If we hope to manage our forests properly, we must also protect them against fire. I am pleased to report the area lost so far this season to forest fires is only 10 per cent of the area lost at about the same time last year. That does not mean we can relax. Our fire crews cannot even afford to take the smaller fires lightly. We have to work diligently at keeping every fire under control. As I am sure all of you are aware, it is impossible for me or anyone else to predict the number of forest fires that will occur in the coming year. I can only hope the occurrence of forest fires becomes appreciably less than in previous years. That is what we always hope.

Last year 1,656 fires burned 179,473 hectares. Within the area of intensive protection, forest fire crews were able to hold the burned area to

about 50,587 acres. For this season we have a variety of resources to keep the forest fires in check. We have 175 fire unit crews. Our air fleet consists of five Twin Otters, 15 standard Otters, 14 Turbo Beavers and nine water bombers. In addition, we have 17 Helitak units and 16 fire detection airplanes on contract with us.

In the northwestern region a lightning locator system has been under development for the last four years. It has already shown it can detect the location of lightning strikes which can start fires. Because of the unit's effectiveness, we have decided to develop a similar system in the north central region. Initial operation of this system is expected sometime in August. We are also completing the training sessions for logging industry crewmen instructors this year. A total of 65 instructors from resource industries took three sessions of one week each. I am pleased to report that industry fire plans have showed a marked improvement since the training sessions began last year.

A modified centralized fire control system is being tested in the northern region this year. The responsibility for fire suppression has been accepted by the region instead of the district. The other seven regions are still committed to the existing fire system policy. Over the last two years, my ministry has added \$8.25 million to the forest protection program. This money has resulted in enhanced fire prevention and initial attack capabilities. A total of more than \$36 million is committed to the forest protection program.

As far as mining is concerned, it is my firm commitment that the ministry will do everything possible to encourage exploration and development of our mineral resources. We cannot plant mines as we plant forests, but we can encourage exploration for new mineral resources, and once they are found, help ensure they are developed.

Exploration is currently experiencing a boom in Ontario. Last year the search for precious metals, particularly gold, resulted in over 80,000 claims being staked in Ontario. Assessment work was up considerably in most mining regions. Geophysical, geochemical and geological surveys were up 100 per cent over 1980. The Ontario Centre for Remote Sensing is producing a new mapping system that translates digital analysis of Landsat satellite data into colour-coded hard-copy maps.

There is such a map on the wall over there. That is computer analysis of data transmitted from the Landsat satellite. We have those kinds

of maps available for most regions of the province at present. We are attempting to further expand the computer translation system and to get these maps to the land use planners and to those who manage forests and our other resources on both a public and private sector basis in Ontario. It will be of help to people involved in the search for alternative fuels, such as the huge peat deposits in the north. Again, this information is available to anyone.

11 a.m.

Another project that is going to facilitate mineral exploration, as well as help us find other resources, is the Ontario basic mapping program being done by private mapping companies on contract to my ministry. It will eventually provide maps of the whole province which will permit us to express exact geographic locations in simple and accurate terms using a common referencing system. I will not present the slides again this year, Mr. Laughren.

Mr. Laughren: Thank you.

Hon. Mr. Pope: Actually, my ministry's mapping and inventory systems are amongst the most sophisticated in Canada. We will be displaying them in the government's new high technology exhibit which opens June 24 at Ontario Place. My ministry is participating with Dixip Systems Ltd. of Ottawa in this display. Our exhibit will show how we produce and use land classification maps from data provided by satellites. If you plan to visit Ontario Place this summer, I would like to urge you to drop by the exhibit. I think you will find it an entertaining and informative review of some of our activities to date.

The Ontario mineral exploration program, which was started in 1980, is another way we are encouraging the search for minerals in the province. It is intended to bring the individual prospector or nonmineral producing company into a competitive position with the producing companies. As a result, several projects are being studied that could generate new mineral production in Ontario. More than 200 projects have been accepted for support under the mineral exploration program, reflecting an impressive exploration expenditure of over \$10 million. My ministry will be contributing almost \$10 million for these projects.

A number of programs under the Board of Industrial Leadership and Development are also helping the mining industry. Last March I signed the first agreement under the Government of Canada program with Pancontinental Mining (Canada).

d. of Beardmore as managers of the Pan-
 Empire joint venture. The program makes BILD
 funds available for custom gold milling and
 testing facilities.

Gomill was conceived as a response to many
 requests from prospectors, small exploration
 companies and mine operators who needed
 milling and testing facilities but did not have the
 capital or sufficient reserves to build their own
 else had no access to existing facilities.

Mr. Laughren: Is not free enterprise wonder-
 ful?

Hon. Mr. Pope: Right. BILD has allocated
 \$10 million to establish as many as—
 Intersection.

Hon. Mr. Pope: What?

Mr. Laughren: Never mind looking for inter-
 sections. Just keep on going.

Mr. Chairman: We need a few right about
 now. Now is the time. They were scheduled
 right at 11 o'clock and we missed it.

Hon. Mr. Pope: BILD has allotted \$10 million
 to establish as many as 10 custom gold milling
 and testing facilities to serve northern gold
 centres. Five further applications are under
 consideration and we are encouraging more.

With the help of this program, Pancontinental
 is reopening the Northern Empire gold mine
 which was closed in 1941 and is expanding it.
 The agreement calls for Pancon to provide
 custom milling facilities over a period of five
 years for clients in the area in return for a loan
 which will be forgiven at the rate of 20 per cent
 per year if satisfactory service is provided.

Basically, the 200-ton a day mill will require
 about two weeks out of every four, it be made
 available to other development companies, pros-
 pectors or owners of mining claims in the
 Beardmore area. To fulfil the terms of that
 obligation—in other words, to provide two
 weeks out of every four for custom milling—
 means their prices will have to be competitive,
 and that is the real discipline in the system. We
 estimate there could be 150,000 tons of rock
 sitting on the surface that could be processed.
 Valuable minerals could be recovered which
 could provide capital for further exploration
 and development activities to take place on
 these sites. In addition, there may be an incentive
 as well to do trenching and some underground
 development work on a minimal basis to further
 test the economic feasibility of these sites. We
 think those two goals can be accomplished
 through the use of this gold-mill system.

The announcement that we made with

Pancontinental has already led to 30 jobs in the
 Beardmore area. This is expected to increase to
 more than 100 jobs when the facility is in full
 operation.

Pancon is also providing new custom assaying
 laboratory service on the gold-milling site. There
 are numerous small ore zones and prospects in
 the region and prospectors who have had to ship
 samples 900 kilometres away to Swastika or
 Cobalt to be tested can now have it done locally
 at the Pancon site.

With such stimulus, not only Beardmore but
 other gold areas should experience new growth.
 The Board of Industrial Leadership and Devel-
 opment and the mineral exploration program
 will encourage the opening of new mines and
 the reopening of long-closed ones. Jobs will
 become available in the mines themselves and
 in allied services like trucking and hauling.

We have been advertising to invite companies
 to submit applications for custom gold-milling
 services in several areas of the province.

Also, under the small rural mineral develop-
 ment program, we are making \$7.7 million
 available to encourage the expansion of indus-
 trial mineral production in Ontario. Up to 25 per
 cent of approved capital costs under the small
 rural mineral development program will be
 covered by grants for new development and
 expansion of industrial mineral operations.

Last month I announced agreements had
 been reached between BILD, my ministry, and
 two companies, Canada Talc Industries Ltd. of
 Madoc and Steep Rock Iron Mines Ltd. of
 Perth. The grants totalled nearly \$2 million and
 will be used to expand their respective talc and
 calcite operations. These important materials
 find applications in many industrial products,
 including paint, plastics and rubber. As a result
 of these expansions, 24 jobs will be created
 directly at the two companies.

There are many industrial mineral deposits in
 Ontario: potash feldspar in Ratter township;
 nepheline syenite in Bigwood township; silica in
 northern and eastern regions; talc in Penhorwood
 township, to name but a few being investigated.

Mr. J. A. Reed: Do you know what all that
 stuff is?

Hon. Mr. Pope: I have a general idea, espe-
 cially silica and talc. Potash feldspar I know.

Our ministry programs of assistance are
 ready to help the mining industry develop
 Ontario's resources as soon as conditions war-
 rant. The industry activities offer excellent
 potential for import replacement. In 1981, for
 example, we imported about \$106 million

worth of such minerals as phosphates, silica, talc, potash feldspar, magnesite and barite.

Ontario's industrial mineral production in 1981 amounted to some \$774 million of a varied number of nonmetallic and structural materials. We want to improve our performance and capitalize on the excellent opportunities afforded us.

With help from the exploration technology development fund, Ontario companies are also being encouraged to develop and test new methods and instrumentation for mineral exploration. Future success in mine discovery depends on our ability to detect and identify hidden, valuable mineral deposits.

Ontario firms are recognized as world leaders in the design and utilization of exploration methods and equipment, and this funding will help expand our capability.

Another BILD project administered by my ministry that will be helpful to mining explorers is the provincial drill-core library.

Every year about 700,000 feet of drill core are left on the ground in Ontario. It is costly to continue to have this system. The core storage libraries will store these drill cores, drastically reducing redrilling costs.

Construction will begin this September on three mining drill-core libraries: one at the Kirkland Lake district office of the Ministry of Natural Resources, the second at our district office just outside Timmins, and the third in Sault Ste. Marie. Over the next three years, seven more libraries are planned: five in northern Ontario and two in southern Ontario, plus one leased facility in Toronto.

I have also been meeting with the federal and provincial mines ministers to discuss ways to help mining. One point I have insisted on is that the federal government give further consideration to tax incentives as the major instrument in creating a more favourable investment climate for the mining industry. A working group is now looking at the question, with particular consideration for junior mining companies, prospectors and developers.

11:10 a.m.

We have also established a task force that is examining the problems of communities solely dependent on mining. They will report to the next meeting of the mines ministers in September. That meeting will be held in New Brunswick.

In April, my ministry hosted a very successful seminar on common training standards for Canadian miners. Last fall, in Victoria, we

presented a modular training program for hardrock miners for the consideration of the federal government, but more specifically for approval and cross-certification from other provincial governments.

We did that because we see attempts and indications that other provincial governments may be looking at training programs and other social programs that could have an incident impact of reducing worker mobility among the various provincial jurisdictions. That reduction in mobility is contrary to the history of the mining workers, the mining communities and the mining jurisdictions in this country.

We think we have to make sure that whatever other programs are put in place by other provinces, we at least retain the worker's right to move from jurisdiction to jurisdiction and carry on what should be recognized as a highly skilled trade, that of hardrock gold mining.

Mr. Laughren: Would you mind enlarging on that a little? Are you saying that the training programs will reduce mobility?

Hon. Mr. Pope: No, I was saying that there are other programs and other proposals underway in other jurisdictions, including training programs, that will reduce mobility.

Mr. Laughren: You said social programs, too, and I don't understand—

Hon. Mr. Pope: Yes, social programs.

For instance, Quebec was examining the possibility of having what they called a mine fund which would provide for certain benefits to the mine workers. One of the conditions proposed for that new policy would be that only those people who contributed to the fund from its initiation would be eligible, and that priority would be placed on hiring of experienced miners in the province of Quebec companies operating in the province.

The priority would be in the hiring of the workers who were registered under that system. That would be a significant change in the normal flow of these workers back and forth, particularly in the Abitibi-Val-d'Or region and the Tri-town-Kirkland Lake regions of the province, through drilling contractors and through other exploration companies.

Mr. Laughren: So they thought the province might provide some social amenities to miners. It bothers you in that they might stay there.

Hon. Mr. Pope: No, not all. We welcome a progress on that front. All we were saying is

Mr. Laughren: That sounded ominously like that to me.

Hon. Mr. Pope: The catch to the program was such that there would be a reduction in mobility and that Ontario mine workers would not be able to go over and get employment in Quebec mines. That is the way we thought the system was going to be designed.

We think we can get around it by having a mutual recognition of certification procedures here and by providing for access to those skilled underground workers from Ontario should they wish to go to Quebec.

Mr. Laughren: It did not occur to you to maybe provide the same amenities here.

Hon. Mr. Pope: Of course. That has been looked at. The issue though is whether or not—

Mr. Laughren: You always come at it from the other side, don't you?

Hon. Mr. Pope: No, not at all.

Mr. Laughren: You have.

Hon. Mr. Pope: No. Would you like us to sit back and ensure that mine workers from Ontario cannot get into Quebec?

Mr. Laughren: That is a kind of "if you stop beating your wife" question.

What you are saying though is that if Quebec provides certain amenities that we do not provide, Ontario workers will not get jobs in Quebec, rather than saying, "If we provide the same amenities, then it will not matter."

Hon. Mr. Pope: All I am saying is that regardless of what programs may be introduced in other jurisdictions, we want to make sure that our Ontario workers have the right to work in those provinces and, if necessary, opt into those services in those provinces. If you think about it, you probably will agree with our position.

Granted, you would want more programs for the miners of Ontario. I understand that, but we are not dealing with that. We are dealing with whether or not they can be mobile in terms of their normal flow back and forth between different provinces.

I can give you Thompson, Manitoba, as an example. The Val-d'Or region is another example in terms of the gold mining community. We are trying to do the best we can to ensure mobility continues to exist. We do not want to interfere with the programs put forward by other jurisdictions.

A number of improvements to workers' benefits have been proposed by a number of jurisdictions in Canada. We have no objections to that.

We are not dealing with that. We are saying we want to make sure one of the side effects of those programs is not that our workers cannot get into that jurisdiction.

The actual program, the common core for basic underground hardrock mining skills, was completed in May 1977 and was printed for public issue in August of that year. It was incorporated into the Ontario Occupational Health and Safety Act and is mandatory for all new regular underground miners.

It was developed at the instigation of the Mine, Mill and Smelter Workers, the Steelworkers and some management personnel at Inco. They got support for their program from others in the mining industry. Through their work and efforts, the program was recognized provincially for certification by the Ministry of Colleges and Universities. We feel it is a good program that could be adopted by other jurisdictions.

Work also continues on Ontario's geological survey program with examinations, study and analysis of the surface and below-surface mineral resources. Our summer survey, staffed by university students, is continuing this year. It is examining the landscape over pre-Cambrian rocks to further our knowledge of our mineral potential. We anticipate this program will be needed for many years to come because to date only seven per cent of Ontario has been reported to modern standards of detailed scale.

Turning to fisheries, our goal for fisheries is to establish populations of fish that will continue to breed and support themselves. With this in mind, we are emphasizing the rehabilitation of fish habitats.

In line with this emphasis, my ministry is putting more effort into rehabilitating streams and creating spawning beds for walleye and rainbow trout. We are also experimenting with in-stream rearing boxes to raise rainbow and brown trout. This enhancement of the life cycle shows considerable promise.

We have also begun negotiations with the federal government to create employment programs that hire workers for fish habitat rehabilitation and other conservation activities. I will make more announcements about this project as negotiations proceed.

We have ample evidence that rehabilitation works. One excellent example is the tremendous resurgence of walleye fishing in the Bay of Quinte. Another is the number of rainbow trout travelling up the Ganaraska River, with the help of fish ladders.

With better habitat, we will be able to re-establish fish populations that have declined and our hatchery programs will be geared primarily to re-establishing natural populations, particularly of salmonids.

We realize there are some areas of the province where natural reproduction is unlikely to take place for some time. So we will continue put-and-take fisheries by artificially stocking rainbow trout, as for example in the Sarnia area of lower Lake Huron, Pacific salmon in Lake Ontario and brook trout in inland waters.

Our hatchery programs are being expanded and we plan to begin work this year on a fish culture station near Harwood. We have already opened negotiations with some of the major land owners involved and one parcel of land has been acquired. I am confident we will be acquiring the remaining property or a substantial portion of that property this year.

This site was selected from 500 candidates. Aerial thermography pinpointed it as having a major spring water source. We anticipate it will be able to support the production of 750,000 hatchery fish annually.

Design and construction work will be scheduled over the next four years. Plans call for the culture of lake trout and rainbow trout for planting in Lake Ontario. The total estimated expenditure is around \$5 million.

The Hill's Lake fish culture station in north-eastern Ontario is now in operation. It is one of the most modern major brook stock hatcheries in the world, handling lake trout, splake and brook trout. It is expected to be in full production this summer.

11:20 a.m.

Production at the Dorion main station near Thunder Bay will also be in full swing this year. About 900,000 lake trout and 250,000 brook trout will be available for planting as yearlings in 1983. A collection of 5.2 million eggs was made last fall from the brood stock at Dorion and local wild sources. They will be hatched at Dorion and other hatcheries.

In addition, we are receiving estimates for the complete reconstruction and expansion of the Tarentorous fish culture station at Sault Ste. Marie. A North Bay fish culture substation is also in the planning stage.

Our hatchery program promises to bring about a superlative salmon fishery in western Lake Ontario in the fall of 1983. I base my optimism on the fact the ministry has achieved its 1982 salmon egg targets: 280,000 coho eggs collected recently in the Credit River and

450,000 chinook eggs collected from several southern Ontario streams last fall. The eggs are being incubated at the Ringwood station. Another 120,000 yearling coho destined for planting this coming spring are also doing well.

Last year we suffered a setback in our brown trout program when we found the stock we had imported from Montana was diseased and had to be destroyed. We made a successful collection last fall of 290,000 eggs from native brown trout in the Ganaraska and Sydenham rivers. They are surviving and growing well at Codrington fish culture station and will be available for stocking as yearlings in the spring of 1983.

After years of patient effort, our lake trout back cross, or splake program, is showing very encouraging signs. We know they are surviving well in Georgian Bay and are being fished enthusiastically by anglers. The aim of the program is to establish a naturally reproducing population.

Recently, ministry biologists found eyed eggs of the back cross off Manitoulin Island, so it appears these fish are spawning successfully. The survival of these offspring is yet to be determined. We are none the less very pleased with the recent finding.

We have learned we must show forbearance in the tricky science of genetic manipulation, bearing in mind it takes an average of 20 years for an agricultural strain of plant to be developed.

I want to make it clear we are going to take action this year where it is evident that splake or other species are being over-harvested. In the Owen Sound area we instituted a two-month closed season last fall and put in a line closure for commercial fishermen. We will bring in even tighter controls in that area this year if necessary.

We also brought in new regulations in the Bay of Quinte area where anglers were over-harvesting the recovering walleye stock. That stock was based on a very successful spawning in 1978. In the fishery is to continue to recover it is important to leave enough walleye to spawn, so we reduced the limit to four from six fish a day.

My ministry is tightening its enforcement of the fisheries regulations and also increasing the number of creel census surveys. My deputy minister's committee for the modernization of commercial fisheries has just presented its report to me. The committee was charged with developing a new and more appropriate method of managing commercial fishing in the face of

criticism. The present system was outmoded and beyond effective control.

The community fisheries involvement program is proceeding. Briefly stated, the purpose of the program is to get members of the public directly involved in fisheries management projects.

Some of the objectives we are pursuing in this program are habitat rehabilitation and enhancement activities such as stream bank stabilization, siltation cleanup, installation of incubation boxes in streams, and artificial production facilities such as streamside hatcheries and rearing facilities.

We have begun negotiating with groups such as the Bluewater Anglers Association and the Ontario Steelhead and Salmon Fishermen, and the details of certain projects that fall within this program. For instance, the Ontario Steelhead and Salmon Fishermen on the Sagesigan River are becoming involved in rainbow trout rehabilitation and enhancement programs.

The Bluewater Anglers in the Sarnia area are interesting in taking action themselves to increase the stocking of rainbow trout. We are giving them advice on how to set up a hatchery and will provide the stock. They are going to rear and plant rainbow trout using their own time and money. We agreed to a hatchery because there were no rainbow trout streams in the area suitable for rehabilitation. We are currently negotiating a contract with them which will detail the necessary conditions for which each group will be responsible.

Next week I will be going to Wiarton to see the results of one of the proposals my ministry received under the community fisheries involvement program.

The Bruce Peninsula Sportsmen's Association built a streamside egg incubation box on the Oxenden Creek, just east of Wiarton. Ministry field staff and sportsmen's association members collected about 80,000 rainbow trout eggs in mid-April, fertilized them and placed them in the box to mature. Over the last two weeks about 80 per cent of the eggs have hatched and I am extremely pleased with the success of this project. I am confident that projects such as this one will result in improved rainbow trout fisheries in all areas where there is community involvement.

There is also progress being made on our major wildlife management programs. In order to improve our wildlife management capability, we have extended the wildlife management unit system to cover the entire province.

In 1981 the central and northern areas were divided into 71 wildlife management units. This year southern Ontario has been similarly divided, increasing the number of management units in the province to a total of 94.

This system serves a number of purposes. For one thing, the units are used to bring order to the management of wildlife populations, primarily deer, moose and bear, and also some small game species. We use the units to manage the antlerless deer hunt and we also feel they may prove useful in the moose management program.

The units serve to standardize the information on hunting seasons for all species of game. Hunters will only have to refer to a map illustrating the wildlife management units to get all the information they need on the boundaries and locations of the units.

Last fall, our deer hunting program enjoyed a greater success than we had expected. Hunters have expressed agreement with the principle of a selective harvest in which a computerized system is used to allocate the right to take antlerless deer.

The selective harvest approach, in combination with new winter habitat programs, is allowing the herds to increase to healthy numbers. We are continuing to select the people who will receive antlerless deer tags at random. No particular groups have been given preference. This type of system, I believe, is fair, simple and less costly.

We have been encouraged by the success of the 30 controlled deer hunts last fall in agricultural areas of southern Ontario. There have been very few problems between hunters and land owners and we feel these hunts should continue. In fact, so does at least one agricultural organization which recently petitioned me to maintain these hunts in order to reduce damage by deer to crops.

In order to rebuild our moose population, the moose management program we instituted last year will continue. For 1982 I am recommending that the moose hunting seasons and regulations remain basically the same as they were last year. The staff, however, will be reviewing further steps needed in 1983 to provide for a long term increase in the moose herd.

Our habitat as it is now could support more moose, perhaps as many as double the current number. Unfortunately, the basic problem is that hunters are taking too many moose each year in many zones that are critical to the moose herd.

We have tried shortening the seasons and setting them later. We have tried the idea of two hunters sharing a moose. We have achieved some reduction in hunting pressure and kill, but with a season that straddles freeze-up, a lot of disgruntled hunters have given up hunting and many tourist outfitters have ceased operations.

This is not an acceptable result and therefore we do not feel that we have the final answer. We have to try something else throughout the province to stem the decline of our moose herd.

I want to make sure that everyone involved understands and appreciates the system before it is adopted. I hope our moose hunters will feel that they have helped us to establish a new direction for the program to rehabilitate the moose herd of the province.

Moose are important not only to hunters but also to the naturalists, photographers and many others in the province. We are also planning to establish opportunities for moose viewing in certain areas. We expect that this will be a popular attraction over the years.

As for the bear hunters, we have increased the length of the fall hunting season over large portions of Ontario to provide more recreational opportunities and to help reduce problems of nuisance bears.

North of the Mattawa and French rivers, the bear season will open September 1, which is 10 days earlier than last year. In five wildlife management units in southern Ontario the bear season will open 15 days earlier. These units include parts of Peterborough, Hastings, Lennox-Addington, Frontenac and Lanark counties as well as the area between Algonquin Park and the Ottawa River.

11:30 a.m.

The dates for the 1983 spring bear hunt will be the same as previous years, April 15 to June 15.

The interest in black bears by both the hunting and nonhunting public has increased in the past few years. Many US states are restricting their bear hunters and many of these are coming to Ontario. Nuisance bears are causing problems to some farmers and beekeepers as well as in certain camping areas.

With the heightened interest in bears, the ministry is in the process of assessing the various issues involved in preparation for a co-ordinated management program for black bears. Input has been received from three user groups: the Ontario Federation of Anglers and Hunters, the Northern Ontario Tourist Outfitters Association and the Ontario Bow Hunters Association.

Their comments and recommendations will be valuable in policy and program development.

Also, my ministry started a bear crest program in northern Ontario which will eventually spread throughout the province. In exchange for two pre-molar teeth, which will be used to determine the age of the bear, a hunter will be given a crest. Currently, these are issued at our district offices north of Sudbury only. Through the bear crest program, we hope to gain much more biological information about the bears in our province.

At this time I would like to bring you up to date on a program which involves trapping on private land. Still in the planning stage, this program will be fully implemented by the 1984-1985 trapping season. It is taking this length of time to put the program in place because there is still much preliminary work to be done in consulting registered trappers throughout our 47 districts.

There is a definite need for this new management approach because of continuing increases in the number of residents and farmers trapping in settled areas which results in unnecessary and at times severe competition. In addition, there are increasing problems involving nuisance animals on private property.

On the wildlife side, one of the ministry's success stories concerns the peregrine falcon. This bird of prey was considered an endangered species because of the pesticide DDT, which contaminated its food supply and caused thin-shelled eggs.

My ministry began its reintroduction program in 1977 and since then, 48 birds have been released from a high cliff nesting site in Algonquin Provincial Park. Last year, as you may recall, we released four young birds from the Whitney Block tower where my ministry's offices are located. This year, one of them has returned—a success because the mortality rate among young wild falcons is very high.

Although downtown Toronto isn't exactly a natural habitat, the high-rise buildings are somewhat similar to high cliff nesting sites. It has happened in other cities and we are hopeful that our peregrine falcon population may one day reside in Toronto.

Mr. J. A. Reed: Stop in for a drink on the way.

Hon. Mr. Pope: We are also planning another reintroduction project of eight peregrines in one lake in Algonquin Provincial Park this year.

During a survey in mid-May no peregrines were seen in Algonquin Park, but one was sighted by a conservation officer in the Mad-

awaska area south of the park in the first week of May. Another was also sighted during a survey in 1981 and several later in that year.

Wetlands are our natural water reservoirs which aid in flood control and are major wildlife habitats and home to most rare plant species. Our discussion paper on wetlands was released last September. We wanted to solicit as wide as possible a range of views and opinions on this critical wildlife habitat.

Wetlands are a unique natural resource and provide numerous benefits. For example, they serve to purify water and to store it, as well as to help control floods, provide timber products and wild rice. They are a breeding ground for many wildlife species.

Altogether so far we have received about 450 letters in response to our discussion paper. These letters were well thought out and offered many constructive ideas for wetlands management. Officials in the ministry are now analysing this public response in preparation for further discussion.

This is an important year as well for conservation authorities in Ontario. For 1982-83 my ministry will begin a two-year program which we expect will lead to a multi-year agreement with conservation authorities outlining overall direction in funding. An important means of developing this provincial strategy includes asking all conservation authorities to file watershed plans for the middle of 1983. I expect these steps will lead to even closer co-operation between the Ministry of Natural Resources and authorities throughout the province.

In addition to this planning process, we are continuing several valuable projects with specific conservation authorities this year. One ongoing project is in Thunder Bay where we are in the midst of our work on the Neebing-McIntyre diversions, expected to be completed in 1984. These will minimize the flooding caused by inadequate channel capacity on the Neebing and McIntyre rivers.

The diversions will protect about 1,000 Thunder Bay homes from major flooding and will also protect much of the city's commercial and industrial area. Actually the project is already providing some degree of protection for many homes.

Work is also continuing in the village of Paisley, which for years was prone to severe annual flooding from the Saugeen and Teeswater rivers and Willow Creek. The village asked the Saugeen Valley Conservation Authority to undertake a flood control study after a 1977 flood

inundated the entire downtown business section.

A system of dikes along the three watercourses when completed will maximize flood control protection over the developed 200 acres of the village with minimum disruption to existing land uses. This will protect about 500 people and \$6-million worth of buildings. The project is estimated to cost about \$1.2 million.

Finally, I would add the Canada-Ontario flood damage reduction program is continuing to fund the mapping of high flood-risk areas in Ontario. Demand for this initiative is high and we hope to have our first designations this year.

As you can see, the ministry has a clear yet extremely complex mandate. We have to attempt to manage Ontario's resources to address both the concerns and the needs of a wide variety of people. We work with hikers and hunters, mining and forest companies, prospectors, trappers and commercial fishermen.

The resources we manage mean jobs to many and relaxation to others. It is our job to assist and promote mineral development and it is our job to establish provincial parks or natural areas. We must juggle these sometimes conflicting needs to create a balanced resource policy.

As I said at the start, we cannot possibly plan Ontario's long-term resource needs without public input. We are committed to both providing and gathering as much information as possible and I have promised we will assess the information we have been given carefully to ensure all public concerns have been examined.

Ministry staff spent much of their time working with the public last year. We expect to spend even more time with the public this year, especially in the open houses we are holding to examine proposals for land use planning. I am encouraged by the response of the public to date and confident this public interest in our programs will continue in the future.

Mr. Chairman: Thank you very much, Mr. Minister. I sense some disappointment that your opening statement has come to an end so abruptly.

Mr. J. A. Reed: It is funny. They always come in on the last word.

Mr. Laughren: Is that what you are implying, Mr. Chairman?

Mr. Chairman: No. I would perhaps defer to the committee. Mr. Reed, do you wish to commence at this stage?

Mr. J. A. Reed: Yes. I would like to say a few words, if possible. It would probably be appro-

prate, if we are going until 12:30, to start at this point.

My remarks at the opening are going to be relatively brief, but I hope they will cover a few of the important areas my party would like to touch upon in these estimates.

We have some very basic views about natural resources in Ontario that we would like to talk about. Some of those views are in agreement with what the minister and the ministry are doing at present, and some are very much opposed. We certainly agree with the theme line the minister has used in his statement, and that is, "multiple use resource management." I think that is fundamental.

11:40 a.m.

We would go a little farther and suggest natural resources probably can be looked upon now in the 1980s as the linchpin of economic recovery in Ontario. Therein lies the tale of where we want to go, because we feel the ministry is very diverse. It deals with a multitude of subjects and some of the subject areas, we feel, should be perhaps removed from the jurisdiction of the ministry. We will get into that as we go along.

I am thinking, for example, of mining. We wonder whether mining is not such a large jurisdiction on its own that it should actually be part of a separate ministry.

We are also very concerned in terms of the economic prospects and the influence the ministry has on the province's economy, that there is sufficient liaison and sufficient common direction among all of the ministries. We very often discover that when we get down to the actual process of doing things rather than saying the nice words which come through in these estimates statements and so on, that one ministry tends to work against another sometimes, or one ministry branch tends to be working against the efforts of another ministry branch.

We are concerned about the approvals process that may or may not go on within the ministry. We see, in the future, a vastly expanded demand for co-operation between the Ministry of Natural Resources and the private entrepreneurs, private land owners, and so on.

We went through a process some years ago in southern Ontario—we have a large percentage of privately-held land as opposed to northern Ontario—where the name of the game, in order to satisfy the objectives of the ministry, was acquisition. Now, we hope we are discovering ways to accomplish the same objectives without having to enter into acquisition. We can accom-

plish those objectives through improved stewardship, for instance, by private land owners.

Mr. Laughren: The trouble is that some land owners will not let canoeists even portage on their land.

Mr. J. A. Reed: Some land owners will not let canoeists portage on their land. That brings up a subject and perhaps I could dwell on it right here at the moment, seeing as the honourable member raised it.

In southern Ontario, Mr. Minister, some of the programs you have entered into, while in themselves have been successful, have eliminated one set of degradation of land and introduced a new set of degradation of land. I am thinking particularly of the intensive sport fishing that goes on in some of the rivers in close proximity to the Metropolitan Toronto area. If you would come with me some time in the next few months, I will give you a living demonstration of what intensive recreational activity does to river banks and to the land surrounding rivers in those areas.

Before I leave this subject, I would suggest some of that degradation is the result of the choice, for instance, of species of fish used in some of these areas. For instance, in the Credit River, which is a river I am rather familiar with, the questions have always been asked, "Why the intensive salmon program?" and "Why the intensive rainbow trout program at the expense of the brown trout program?"

A judgement call was made some years ago to close the brown trout hatchery that could supply those. The advantages to choosing brown trout over rainbow trout was that brown trout do not have to migrate and rainbow trout and salmon do. The corollary to that is the type of use to which the river is put under the brown trout program is less dense and more amenable to private property owners than is the rainbow trout or salmon sport fishery.

When you are talking about close proximity, it is essential and very desirable that many of the rivers close to the large metropolitan areas provide some recreational activity and are maintained and improved in water quality. I must agree, but when we are considering things like species of fish, permitted uses and so on, one must remember as those uses intensify, that is if more and more fishermen use these areas for particular species of fish or if heavier alternative uses are added to that burden, then the river can degrade just as surely as if it is polluted with sewage or some other kind of waste. It is a double-edged sword.

I would suggest to the minister that he begin to balance the options he has in these areas. When he makes judgement calls he must make them with a full awareness of the kind of degradation he is incurring by introducing these new, supposedly desirable programs. They are desirable in themselves but those side effects have to be considered. They are not being considered sufficiently at present.

It is also going to be desirable in the future that more and more a spirit of co-operation be established between the government and the private land owners in those areas. At this point, we do not know whether that can be fully accomplished. I think it can possibly be accomplished if there is a sensitivity towards what the impacts are. Perhaps we can even turn back some of the negative feelings that have developed over the years.

Part of that has to do with the education of the public and I am fully appreciative of that. I am not sure, for instance, that the general public cognizes the new no-trespassing symbols that have been law for the last year or more. I do not think that is understood at all. I do not think the business of navigable and nonnavigable streams is understood either by the public at large or by any ministry officials.

I do not know that there is a particular sensitivity to resident farmers who have to keep their cattle fenced in on various rivers. They are faced with angry canoeists who generally now take a pair of pliers with them, and cut the electric fences as they go. I suggest these are problems that should be dealt with.

When you are looking at a program that involves recreational use of land and partly of private land, remember it is a double-edged sword. If you want the positives, you have to consider the negatives and try to minimize them as much as possible.

Mr. Laughren: Is it true the ministry handed out rubber handled pliers to all canoeists?

Mr. J. A. Reed: Mr. Minister, I see we have a few officials here from the ministry today. There are some specific officials I would respectfully request the minister to provide during the estimates, if he would give that consideration. They revolve around two areas I want to zero in on. One concerns the nice statements now included in the strategic land use plans of both northern and southern Ontario. There is a section now that is given a title that is very dear to my heart. It is called "Energy."

5:50 a.m.

Hon. Mr. Pope: That is the Reed amendment.

Mr. J. A. Reed: That is the Reed amendment. I have not got a credit in the front of the book and I was just looking for something like that.

I want to commend the minister for recognizing the need to have some sort of statement or policy on energy and, in keeping with that, an understanding that most of the renewable energy in northern Ontario involves jurisdiction through the Ministry of Natural Resources.

If we are going anywhere in the first renewable, which is water power, we go with the co-operation of the Ministry of Natural Resources. If we go anywhere with the utilization of wood species and so on, if we go anywhere with permit forest management on crown lands for the purposes of fuel woods, we do it with the co-operation of the Ministry of Natural Resources. If we utilize the forest waste which is so abundant in northern Ontario, and expand that utilization the way the BioShell plant is doing at Hearst at present, it is done with the support and the catalytic effect of the Ministry of Natural Resources.

In that light, I want to zero in on one symbol of the energy area. That concerns a 200-kilowatt power site in the town of Thornbury.

Approximately four or five years ago, a decision was made to build a fish elevator at the dam in Thornbury. There was a totally operable 200-kilowatt power plant functioning at that time. In the course of the construction, the penstock was cut away and the thimble was plugged in the dam. The fish elevator was installed and a commitment was made to me by the minister's predecessor that consideration would be given to reconnecting that penstock. I have been up to see it and it can be very easily reconnected and is very compatible with the elevation of fish.

If there ever was one living, easily accessible, example of compatibility between energy utilization and resource protection, such as in this case of the migration of fish, the Thornbury power plant could become the living example for all of the province. Yet today that penstock was cut into 20-foot sections and piled beside the river.

I do not know what has happened to the equipment, whether the equipment is still in the old power plant or not. But I will say this: if the minister does not restart that power that means he has aided and abetted the destruction of far more renewable energy than has been created by the Ministry of Energy in this province.

It would seem to me, as an example of your good intentions and your policies as you have

stated in here, that you would give priority consideration to the restart of that plant. I do not think it matters whether it is restarted by private enterprise or whether it is restarted by the Ministry of Energy as one of its demonstration plants. What does matter is that you are putting your money where your mouth is, and Thornbury is a classic case.

So during the course of these estimates, I would respectfully request the presence of the decision-makers; the people who made the decision to destroy Thornbury and the people who refused to consider the reconnecting of that penstock and the restart of that plant. Whoever they are, I would like them here, the people where the buck stopped, because it seems to me that if the minister has a policy that is stated in strategic land use plans, that policy was certainly reversed out on the firing line at Thornbury.

It is very easy to show other examples. We would like those people here; I do not mean just the minister. Who advises the minister on these things? Who is it who is so far out to lunch? Let's find out.

Perhaps that is the symbolic way to really let those ministry officials know that the minister's policy, as stated from his office, is the one that prevails down through the ministry.

In my experience, and I do have some running experience with the Ministry of Natural Resources, the best intentions of the minister and deputy minister often find themselves totally reversed when you get out on the firing line in all these fiefdoms you have set up with your diverse ministry around the province.

I do not want to get into the details of that but I can cite you chapter and verse, if you wish, about the reversal of policy. The business of the approvals process is part of that.

The general public is so uninformed about the approvals process, and I think deliberately so, because what it allows is a Bermuda triangle effect to take place within the ministry confines. Everybody can remain flexible. Whatever is supposed to be approved can drop into this void in the middle of the ministry.

It seems to me that if the demand for co-operation between the private sector and the public is to increase and improve over the next 10 years or so, one of the things that has to be very clear is what the approval processes are and how they are really and truly spelled out.

Are they just a pile of ad hockery? That is the opinion we get when we are talking about approvals processes. You would probably get a

better setup than that. I am prepared to give you credit for it, provided you tell us what it is and how these things work.

As these estimates go on I will ask questions about the approvals of various specific projects and how they came to pass.

I am going to ask some questions about the underutilization of the forest industry. The minister, in his opening statement, acknowledges that more complete utilization is a goal he is striving for. I should go on record as saying that we know underutilization is one of the reasons we still have one-industry towns in northern Ontario.

I was in Hearst last November on an energy tour and happened to stop off at the BioShear plant, which is the wood-pelletizing plant that has been so successful. The day I was there was the only company in the town of Hearst that I knew of, running 24 hours a day, employing its full complement of people, and having a market for every ounce of stuff it could produce.

That is utilizing a resource that is considered by foresters to have a negative value. The energy from that resource is being used to fire the plant itself. About 40 per cent of the energy goes into running the actual plant and the balance is turned into a very excellent energy resource. It is the same resource that is lying on the ground at present and preventing the regeneration of 30 per cent of the forest floor that should be regenerated, according to federal studies.

It seems to me that if you have this thing, with a negative value on the one hand and such positive end product on the other, some serious efforts should be made to utilize it.

12 noon

I was dismayed to the nth degree to learn in February that while you have a pilot gasifier at Hearst which can supply a gasified feedstock for the production of methanol, your government decided not to pursue methanol and gave it low priority, presumably because there is too much money in the ad valorem gasoline tax.

An agreement has now been signed between the federal government and the government of Quebec to do exactly that—to provide a pilot plant on methanol production. It will use the same gasifier, the technology of which was developed in Ontario. So it is lost to us. We are going to be sucking the hind teat again.

This happens time and time again when we just are not willing to stand in imaginative areas in areas of forward-looking development. If the

and of energy development is to take place, it is to take place with the co-ordinated support of the Ministry of Natural Resources.

Earlier this year the minister made a statement in the Legislature on floods and I want to bring it up as a query. The minister will probably remember the statement he made on floods. It was at the time of the year just prior to the spring breakup.

Obviously, it was a creation of your publications department. You were asked to read it, or you decided you would read it in the House. What it tended to say was that your officials were out monitoring the flood situation, that God was in his kingdom and all was right with the world. It was one of the great money wasters of the day in the Legislature because it said absolutely nothing.

I do not know who develops your propaganda, but when you are developing propaganda and presenting it to the public, for heaven's sake say something. If people are being paid to write stuff that is meaningless, maybe they are surplus to the need in your ministry.

Mr. Laughren: I thought the minister's career faked that day myself.

Mr. J. A. Reed: There are some issues I would like to specify that I will talk about here. I will just go through them one by one, so that we know as we come to the votes.

One, of course, is the wild rice issue.

Mr. Laughren: Again.

Mr. J. A. Reed: Well, the wild rice issue is not resolved. Here is a situation where we have a potential for a new developing industry in northern Ontario. We are going to be interested in knowing just where you come from and where you are going on the wild rice issue.

We would like to talk a little more about your concern for wetlands. One of the interesting observations one can make about wetlands is that there are incentives given by this government for drainage—the Drainage Act, and so on—but there are no incentives by the government for the preservation of wetlands.

It seems to me that, if I am a farmer and I am on the fringe of a wetland area, it would be in my interests if I had the same kick at the cat for preserving those wetlands as I do if I drain them. And right now I do not. That is the point I would like to make.

We touched on mining a little earlier. We have always supported the proposition that a separate ministry would serve the mining industry more completely than having it tied into the

Ministry of Natural Resources, for no other reason than the fact the Ministry of Natural Resources is so very, very large. It may be that in the future other divisions might well be made in the Ministry of Natural Resources so as to facilitate those things.

Mining is incredibly important to Ontario, just as the forest industry is, and I happen to be one of those who believes it has a great future. We are a resource-rich province, and this is one of the ways of addressing that.

Mr. Laughren: If you did that, the minister would lose everything else, because the industry would insist that he stay as minister of mines so he would lose crops, and so on.

Mr. J. A. Reed: The minister might make a good minister of mines.

Mr. Laughren: He would have to speak to their annual meeting.

Mr. J. A. Reed: I realize that I am advocating the expansion of ministries in the province and in a time of constraint that may not be the best thing. But I do think that in the long haul it is a good idea.

I am going to talk a little bit about the parks council in Ontario. I want to get the question on record, why the parks council does not appear to have any input into these new parks planned. Maybe it does, but I would be interested in knowing what that is, if any.

We would like to touch on pits and quarries legislation. Naturally, we are interested in when the new Aggregates Act is going to come into view. We are going to talk to the minister about the rehabilitation of abandoned pits and I now have some information for the minister, which we have talked about, that I know he will be interested in.

In the sport fisheries area I wonder if we could bring in the decision makers. I would like to know who decides to put rainbow trout instead of brown trout into a particular river. Who chooses coho salmon that do not really provide a sports fishery upstream at all because they have deteriorated by the time they get halfway up the Credit River? Who makes those judgement calls?

Why was a brown trout hatchery closed a number of years ago in favour of rainbow trout? I think those are answers the sport fishing people would like to have on the record and I think they deserve them. Certainly, there are concerns about the adequacy of the team, if you like, that heads up the sport fishing area. Are they making the proper judgement calls?

I would like to talk about Atikaki, the roads to resources or whatever they are called: the Minaki access road, the options and the lobby that has been presenting alternatives. Perhaps we can get into that on the proper vote.

It seems to me that there are cases being put forward here that are quite interesting. I would like to hear the arguments on both sides. They deserve a thorough airing.

We are still concerned about forest regeneration, not only through the forest management agreements and so on. Forest management agreements to this point do not occupy a very large percentage of the forested land or the lands under cutting licences in Ontario. These agreements entered into with the companies do not involve all their holdings by any means. This simply means that the majority of lands are still subjected to this annual deficit of cut-over area. We have to know where you are going to from here.

We would be interested to know if you are still conducting prescribed burns as a reforestation technique, if you are still going through that process, using up and destroying all that energy, now knowing that the economics of utilizing that energy are well in place and that private enterprise is making darn good use of that stuff at the present time. We are interested in that.

12:10 p.m.

I am also interested in forest management in southern Ontario. Southern Ontario does not get a lot of attention when it comes to forests, and yet we know that the forests in southern Ontario are significant, especially in the areas of hardwood, mixed bush and so forth. Much of that is, as you have stated in your opening statement, on private land. I am interested in what sort of education is available to private land owners who want to be good stewards of their forests but really do not know much about forest management.

Up to the present time, you have district foresters who will come in and mark trees. They will come in and perform acts of forest management. But they do not provide the manpower, and cannot be expected to provide the manpower, to properly manage forests.

As a matter of fact, I had one very tragic experience that occurred right beside my own farm, where your ministry was asked to go in and do some management. Your people went in and girdled a lot of wolf trees, beech trees and so on, which seven or eight years ago were quite harvestable and should have been harvested.

Of course, you do not have the manpower to

do the harvesting. You went in and girdled the trees and you achieved the objective of killing the trees to allow the under stuff to grow up. That is part of the management technique that was in vogue some years ago.

However, because of the girdling the trees have been killed and are now falling over. They are killing the trees that grew up, to say nothing of being an incredible waste of resources in economic proximity to a whole multitude of households.

I hope you are not doing that any more. I hope that is not a technique that is going on. I hope you insist that if there is girdling of wolf trees those wolf trees be harvested. A great number of those trees—and you can come out and see this one of these days too, if you will—were harvestable as lumber at one point but have now deteriorated to the point where they are certainly not harvestable and are second-rate firewood.

It is a bad time to see it. You can say, "Okay, that's in the past, wood wasn't worth very much," and so on. I look upon it the same way as I do bear hunting. We harvested bears for their skins and it has not been in vogue to harvest them for meat. What a tremendous waste of resources when those things are allowed to happen. So we have to have a direction to go in.

My emphasis for southern Ontario forest management has to be on education: the education of private land owners, people who want to be good stewards, people who want to do a good job. Perhaps now they have some incentive to go into the bush and have some physical activity, too. If they know what they are doing, that's great. They can make their forests really bloom for them. It is a challenge.

I am interested in your statement on trapping on private land. You obviously have a new program that is going to concern itself with trapping on private land. I would like to know all about it.

I happen to be one who does trapping on my own farm. I find that if we do not trap, because the muskrat we trap have no natural predators they are rampant, so we have to try and control the population in that particular area by private trapping.

Mr. Laughren: I hope you eat the meat.

Mr. J. A. Reed: As a matter of fact that meat is utilized. The trapper I have an agreement with eats the meat. I have been trying to get son out from him but he never has any extra. I will have to change the terms of my agreement.

I would like to talk a little about the Roy

commission on the Northern Environment. That commission is out of the jurisdiction of the Ministry of Natural Resources; however, the decision worth asking here is what kind of input does it have into your decision-making process? Is it resulting in something positive for you or is it simply accumulating mountains of paper and dust? Where are we going with that in a real sense?

Finally, I would like to spend some time on the jet aircraft and whether you are lengthening runway runways in northern Ontario at present to accommodate it. What will this jet cost your ministry? Will you supply pilots around the clock? Will you be supplying maintenance for it? Are you assuming its capital cost? How is it being looked after as far as your ministry is concerned? Where is it at present? It is probably still in Texas being outfitted with a bar.

Those are my comments for the opening statement. Naturally a whole lot of other subjects will emerge. Those are some of the key points. We do have some concerns. At the same time we see the Ministry of Natural Resources as a ministry of opportunity, but some of these opportunities have to be creative and created. They are going to require a minister with the strength to stand on his own sometimes and feel very much alone from time to time. I can assure this minister that if he has the courage to do that, to be a little adventuresome and creative, which is so necessary for the 1980s in Ontario, he will get the support of this critic.

Mr. Laughren: I will go on for more than 10 minutes. I wonder if the minister would like to reply to the Liberal critic now and then I could start on Thursday evening.

Hon. Mr. Pope: Yes, we can do that.

I would like to thank Mr. Reed for his comments and for alerting us on the subject as he had some specifics on. There were a couple of points he brought up that perhaps I can assist him with.

It is true that a lot of our programs are administered from a local decision-making point of view via district offices through our district managers. Since I became minister I have been attempting to assimilate all the programs they are administering, reviewing the policies they are applying and trying to bring some discipline to the application of the policies and the priorities the field officers give them.

From time to time some decisions are made in the field that I do not feel comply with the policy. We attempt to resolve the issue by working with the district managers. However, I

am ultimately responsible for those decisions and for the errors made by people in the field. I am also responsible to the people for the policies we are supposed to be applying.

I have been attempting to put a priority on a number of policy areas you have indicated in your opening comments. We have been attempting to resolve some of your difficulties in a couple of specific projects in the Mattawa area.

We have also been dealing with the methanol issue. I do not think it is a fair conclusion to say we are not committed to methanol and that the entire development of methanol as an alternative fuel has escaped us and gone to Quebec.

Although I am not at liberty to divulge specifics, we have in the last two weeks had meetings with private interests that have been organizing for methanol production facilities in this province. They have been discussing the necessary policy decisions and specific allocation decisions that have to be made to assist that company. We have been discussing things like site location and this kind of thing.

12:20 p.m.

Although there may have been some problems I am not aware of in other ministries with respect to the methanol issues, I can assure you we are pursuing it. Unfortunately, I am not in a position at this time to give you any details of the private interests we have been meeting with, but I can tell you I think they are being realistic and have the experience to perhaps bring it about. We are anxious to be supportive and we have designated some staff both in the field and head office to assist them and to do anything we have to do to get them going. I am hopeful we can work it all out with them.

I would like to deal with the announcement with respect to flooding. That announcement came because we were being deluged with requests by media from outside of Toronto as to what our program was, what kind of warning system was in place, whether or not there was a real risk of flood, when we would know whether there was a risk of flood—these kinds of questions.

I know Mr. French thinks it was asinine. I cannot help that. All I can tell you is we put the story under the statement on the wire and it was for their benefit. At their request we made a statement. Perhaps we could have, in retrospect, done it on an area-by-area basis. That would have been rather complex and would not have answered their questions with respect to the policy. I thought that was the best forum to do it in.

You have mentioned the BioShell plant in the Hearst area. You are probably aware there is also a BioShell plant operating now in Iroquois Falls through an arrangement with Abitibi-Price.

Mr. J. A. Reed: Yes.

Hon. Mr. Pope: We see it as an effective use of some of the wood product or wood fibre not normally used. We are hoping it will expand. We have been working with BioShell to try to get an expansion. We have also been working with our own forest areas on programs. We have also been working on industries that could be located adjacent to those sites that could use that energy source for their own undertakings, including nurseries. That has been a part of our consideration in the development of private nurseries.

Mr. J. A. Reed: Hot water.

Hon. Mr. Pope: Yes, that is right. In Iroquois Falls and Hearst, both of those sites are under examination. There is a very good probability that energy from those sources will be used by those businesses.

As you are aware, we have also looked at the use of waste heat from the pumping stations of the TransCanada PipeLines. We have done a survey across northern Ontario on the sites. We have made contact with the Ontario Energy Corp. and TransCanada PipeLines with respect to the use of that heat. Quite frankly, the only argument developing is competition over who is going to get access to those sites and under what terms and conditions TransCanada PipeLines will let people use that waste heat and enter upon their lands to do certain work and where that fits in terms of their own pipeline expansion plans to handle the capacities.

The most obvious one was the Energreen Co., established in Ramore. It uses the exhaust heat from the jet turbines at that station just outside of Ramore. It started as a pilot project through the Northern College in the Ministry of Northern Affairs. I know you probably know more about this than I do. It has now advanced beyond that testing stage into a full-scale expansion for greenhouse facilities six months of the year for forestry purposes and the remaining six months of the years for agricultural purposes and other agricultural experimentation that has to be done in that part of northern Ontario.

We have approached people in Mattice and other parts of northern Ontario with respect to the use of those facilities on those specific sites

in co-operation with our private nursery program. We have actually been soliciting groups from these local communities to get involved and enter into contracts with us with the help of expertise available in the field developing greenhouse complexes on those sites.

There is a lot of interest up there in the use of that energy source and a growing awareness that there is a whole variety of energy sources available up there that local people, not just government or public agencies, should be taking advantage of. We are hopeful that our private nursery program will provide some stimulus.

There are a number of other issues that you have raised that you want to get specific answers about. I acknowledged the federal report that was issued and also recent statements made by Mr. Reed of Environment Canada. I wish him luck in obtaining more funds from the treasury board of the Canadian government. His studies with respect to the Canada-wide forestry situation are of significance and I think have helped to draw the public's attention to some of the problems.

The statistics he uses are Canada-wide statistics, and in some aspects there is a variation between the Ontario performance and performance in other jurisdictions. Not that we don't have specific problems in specific areas with specific species in Ontario. We have to recognize that and work with it. I should say that much of the discussion lately about a shortfall in available wood has to do with certain companies or industries that traditionally, because of the way they were initially set up and because of the permit and licence structure, have had a wood supply problem.

Secondly, with respect to some of the major companies that want to get involved in major expansions of their mill facilities and want additional wood supply in addition to what has already been allocated to them: the argument then becomes one of utilization and whether or not they could support some additional expansion with their existing licensed areas.

We have been very reluctant to engage in a process sort of holus-bolus in dealing with requests for opening up additional lands for licensing. We would rather see proof of more utilization of different species within the limits they have, some rationalization of supply in terms of chips and this kind of thing; some transfer of species types between different business locations much the same way that Malett Waferboard Corp. in Timmins do with Abitibi

Price, in terms of the poplar and other hardwood species in the area, in exchange for some of the conifer tree-length timber that is harvested in the Timmins area.

There are lots of opportunities that should be examined, including better utilization, before we get into assigning additional limits. The truth is that this has caused some concern amongst the forest products companies because of the uncertainty of this process in the next few years.

We just have to work through our land use planning process and a forest management agreement process. We have to finish the utilization studies and look at alternatives before we make any final decisions on allocation of supply.

This is my last statement, Mr. Chairman. At the same time, we have also been hesitant to renew licences on large areas of land for any

significant period of time until the land use planning exercise is completed. We do feel there are other resource needs that have to be considered by the forest resources branch before those decisions are made.

I know Floyd agrees with all those words, and understands them.

Mr. Laughren: When did that start?

Hon. Mr. Pope: Talk to the group up in Thunder Bay and they will agree with you, won't they? They are very supportive of the one-year renewal to Great Lakes Paper in the Ogoki-White Water area and I know you agree with that message. That is just one example.

With those comments, I guess we will continue next time.

The committee adjourned at 12:31 p.m.

CONTENTS

Wednesday, June 9, 1982

Opening statements: Mr. Pope	R-279
Mr. J. A. Reed.	R-296
Adjournment	R-303

SPEAKERS IN THIS ISSUE

Harris, M. D.; Chairman (Nipissing PC)

Laughren, F. (Nickel Belt NDP)

Pope, Hon. A. W.; Minister of Natural Resources (Cochrane South PC)

Reed, J. A. (Halton-Burlington L)



Ontario

LEGISLATIVE ASSEMBLY

No. R-12

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Resources Development
Estimates, Ministry of Natural Resources



Second Session, Thirty-Second Parliament
Thursday, June 10, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 10th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.



LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Thursday, June 10, 1982

The committee met at 8:07 p.m. in room 228.

ESTIMATES, MINISTRY OF NATURAL RESOURCES (continued)

Mr. Chairman: I call the committee to order. For those who are regular members of the committee, the clerk is circulating an invitation from the Ontario Mining Association to breakfast next Wednesday morning at 8:15 at the Park Plaza Hotel. They had requested a meeting with me. That is what we finally set up. I think we finished off yesterday with the minister replying to Mr. Reed. I thought it might be a fun idea if we started off this evening with Mr. Laughren.

Mr. Laughren: Mr. Chairman, if I could get a word in ahead of my party colleagues here tonight, I will proceed with my remarks.

Mr. Chairman: Perhaps they could spread out on the other benches and give you a little elbow room.

Mr. Laughren: Thank you, I appreciate that. Some of us are better drawing cards than others.

I think it is particularly appropriate to be able to lead off for my party on the Natural Resources Estimates tonight. Given what has happened very recently and even today in Sudbury with Ilconbridge and given the response by the government to these kinds of problems in northern Ontario, it is very appropriate that we be debating these estimates.

During these debates a number of issues need to be addressed very specifically. Before I get into those, there are a couple of general things which I think the minister needs to respond. I will try not to be repetitive of the remarks of the member for Halton-Burlington (Mr. J. A. Reed).

One area we could debate, either under the first office vote or when the minister responds—it is entirely up to him—is the hiring practices of the ministry. I am not only talking about the political referrals which have been raised in the House and which have been of some concern, although that is one of the hiring-practice policies of the ministry that bother me, but I would also like to know whether the minister has done anything to change that practice or

whether it continues as it was, namely, that people referred from head office by special people are the ones who get jobs.

I find that particularly offensive because of my own riding, I suppose. Having in it so many small, relatively isolated communities in the forestry industry, I find that very difficult to accept.

I went to three of the communities about a month ago, one of which was Foleyet. The people were more upset about the hiring practices than they have been in the 10 years I have been the member from that area. I have corresponded with the local district manager and the response I got was totally different from the information I was given in those small communities.

I am still pursuing that. I do not know how that is going to shake down, but I do know that even the ministry's district managers are not happy with that referral system because it prevents them from hiring good, experienced local people, people who have been trained and perhaps have the necessary educational requirements. They have been to colleges or universities, have specialised in forestry, and they are the ones the district managers want. Yet they are bumped by political referrals from head office.

Five hundred jobs may not seem like much to the minister, but it is a great deal. More than that, it gives the impression that everyone else who has applied for a job and did not get it, did not get it for that reason. There might be several thousand of them, much more than the number of people who filled the jobs by political referral. That is a very cynical approach to running a ministry and I think it is time it was stopped.

I want to talk about the whole question of the hiring—and, I should have said, the firing—policies of the ministry, because the question of Mr. McAlpine is something that needs to be pursued. I am hopeful that the professional foresters will come through, as they have never had to yet, in defence of their profession and take up the cause of Mr. McAlpine. I believe it is still going through the processes within the ministry to see if that decision can be reversed. We shall see. I do not believe we have heard the

last of that issue, nor should we have heard the last of it.

What is particularly galling about that issue was that the very reason for which Mr. McAlpine spoke out and the things he wanted to have done are now being done by the ministry. To have fired him for saying something which the ministry eventually did is really ludicrous and, quite frankly, small-minded on the part of the ministry hierarchy. It really was totally and absolutely uncalled for.

Mr. McAlpine is now working on a seasonal job. Perhaps he was one of the political referrals. I do not know, but I believe he is now working for the ministry.

Apart from the hiring practices, the role of the ministry in northern Ontario is one that is not appreciated by a lot of members outside the north. I am not trying to be patronizing in that regard, but the Ministry of Natural Resources really is king in a lot of small communities. It is the major economic presence in those communities; it is the major employer. It really does determine to what extent those communities are economically healthy or otherwise.

I know. I have two communities in my riding, namely, Sultan and Foleyet, where the Ministry of Natural Resources, when the previous minister, Mr. Bernier, was there, pulled out. Those communities are now having very severe problems. It was an indication just how important the Ministry of Natural Resources is to those small, isolated communities of 400, 500 or 600 people.

It is a very major role for the ministry to spread its dollars around in small communities in northern Ontario.

I was in Gogama not too long ago. They have a nursery there. For the first time in my life as an elected member I went on a thorough tour of that nursery. It was extremely interesting. The people there treated me very well and explained a lot of things to me of which previously I had only had a very superficial knowledge.

I could not help but think—when I saw them expand the nursery there and then go into another community such as Foleyet or Sultan, where there could be a nursery—that if there is going to be an expansion of nurseries, and there surely is going to be, given the forest management agreements, some of the nursery jobs will be contracted out to the private sector and others will be given by the ministry. There is a beautiful opportunity to bring some of those small communities more into the mainstream than they are now.

I have spoken to the Minister of North Affairs (Mr. Bernier) about it as well, basically it is the decision of this ministry whether to give those small communities a shot in the arm or not. There is an opportunity to do it.

In some cases, it would also bring the timber stock, the nursery stock, closer to the area where the stock will be used. So the suggestion is made not just simply to service the community; the ministry and the forest industry would be better served as well.

The ministry has not traditionally played a very good role in one-industry towns which are based on either forestry or mining. We have seen what happened in Capreol with the National Steel Corp. of Canada, an iron ore mine. We have seen what happened in the northwest.

We are seeing, in its own kind of way, what is happening in Sudbury, which is not as much a one-industry town as it was 10 or 20 years ago but is still basically a nickel-mining town. When the big companies there, Inco and Falconbridge, make a decision to cut back or lay off, it causes very severe dislocations in the community.

I can recall when the opposite problem existed. I moved to Sudbury in 1969 from Toronto. When I went there, I had a very difficult time getting housing because Inco was hiring people from all over the country.

They had people in Newfoundland recruiting workers who they brought to the Sudbury area. They set up a shanty town which had 1,000 people in trailers, not far from where I lived. There were enormous problems, the opposite of the problems we have now, but nevertheless the problems of a one-industry community that rides on the waves of demand for that product, namely nickel.

The government has still not done a decent job of working with those communities to make sure they are not solely dependent. Later on we will talk more about some of the things it should do.

I was extremely disappointed about a year ago—I forget the dates—when one community in my riding was completely bulldozed to the ground; namely, Kormak. People were given about a month to get out of town and the houses were bulldozed.

When the people tried to reclaim plumb and electrical wiring or wood from the houses which were owned by the company, they were chased out of town. The place was bulldozed and later burned.

That is an absolutely outrageous policy.

ministry just stood back and let all that happen despite attempts on my part to intervene. The ministry did absolutely nothing to protect that town or to let people get in there and salvage something before it was completely bulldozed and burned.

After that, the town of Island Lake went through almost the same process—not quite, it is still there, but it is disappearing fast. The reason it happened was because the Westmac Lumber Co. was having great financial difficulty. It then “merged” with another company, Green Forest Products. As a result of that “merger” those two towns were closed down and the whole operation was so-called “rationalized.”

There is absolutely no doubt in my mind or in the minds of people who are knowledgeable observers of that scene, that it was not a merger, it was a purchase of Westmac by Green Forest Products in order to obtain the cutting limits of Westmac. That is absolutely certain.

I raised the matter with the minister in the estimates. The minister said he would do something about it. To this date, I have never had a response from the minister on whether or not this was a purchase or a merger.

8:0 p.m.

Perhaps his legal branch has looked into it and said, “They have pulled the wool over our eyes on this, Mr. Minister, and we had better not admit it.” I suspect that is what happened.

That was my understanding, and always has been, that cutting limits cannot be transferred without the permission of the crown. Perhaps the cutting limits should have been transferred to Green Forest Products, but surely the minister then has the authority to say to that company: “If you want those cutting rights transferred, you will treat the workers, who will no longer be living in those communities, in a proper way. When they are looked after properly you will get the cutting limits for that area, as before.”

That is not what happened. The company went ahead and did exactly what it pleased. The cutting limits, I assume, now belong to Green Forest Products.

I would very much like a response from the minister. Up until now it has been a very, very satisfactory response to what I thought was a very legitimate question on my part and to what was a very legitimate problem in that community.

The other more general thing is the whole question of environmental assessment. I will talk about that later.

I really wonder where the minister is heading with environmental assessment. I do not know whether he is after a blanket exemption from all environmental assessments. I suspect that is what he would like. I know what some of the ministry people think of the environmental assessment branch of the Ministry of the Environment but that does not mean that this ministry has the right to totally ignore the laws other people must obey.

I would like to talk specifically about forestry for a while. The debate continues about forestry. It does not revolve around the world economy or the Canadian economy or the value of the Canadian dollar. It revolves around whether or not there is a supply crisis. That is what the real debate is swirling about.

People seem to be coming to a conclusion that there is a supply crisis in certain species. That seems to be the only thing on which there is a consensus.

I know the professional foresters say that and some of the industry people will tell us that. Some ministry people will say that you cannot use the broad expression that there is a supply crisis in fibre; you can only say there is a supply crisis in certain species. However, they happen to be very important species. That is probably the only area of forestry policy where there is a fairly broad consensus and that is what we need to talk about.

The whole question of the cost of regeneration is something that is going to be with us for the next few years and I will be asking some very specific questions on the cost of regeneration, particularly with the signing of the forest management agreements.

Of course, there is the whole question of other users of the forest. That problem is not going to go away, either.

The stakes in forestry are truly enormous. I was surprised when I read the foreign exchange figures on forestry. They involve twice as much as minerals. It is an enormously important product in terms of foreign exchange earnings for this country. If you follow the fluctuations of the Canadian dollar, you will know how important foreign exchange earnings are for us.

It has a great role to play in the success of tourism, not just for the tourist operators but for all sorts of other people who benefit from a very healthy tourist industry.

We know that forests moderate weather, regulate water flow, prevent erosion, protect fish and wildlife and provide us with an enormous amount of tax revenues. All of that is

renewable and all of it can be renewable in perpetuity. As a matter of fact, all those things I mentioned can increase in the future if we do things properly.

Some of the people who have commented on forestry had some interesting things to say. There was a federal report. The minister commented on the federal report, the Reed report, as it is called, in his leadoff. He said the comments had more to do with the federal scene than the provincial but there were provincial comments in that Reed report, too, as it applies to Ontario.

Reed said this: "The most important issue facing the forest sector is timber supply. Local shortages of wood at a competitive cost have emerged in every province. In the past it was customary to harvest virgin timber and leave nature to replenish supply. In effect, we mined the virgin forest and gave too little thought to the future crop. Forestry is now in a critical transition stage where mining must give way to systematic forest renewal."

I thought that was one of the better short summaries of our problem in forestry, in Ontario as well as in any other province. Reed goes on and makes a lot of comments about it and he makes specific reference to Ontario. He says: "The time has now arrived for studying realistic annual allowable cuts for the next two decades. Shortages will become more widespread in the 1980s unless forest renewal performance improves dramatically."

Then there was the St. Lawrence cutover assessment by Klemmer and Atkins, with which I am sure the minister is familiar. That was what I would regard as a devastating indictment of the cutting practices of the industry and of the regeneration predictions of the government and the industry.

This Ontario report concludes: "The government's reforestation program has not been particularly successful. In fact, the only consistent result of the government's reforestation program has been to accelerate the rate of stand conversion from softwood working groups to mixed wood and hardwood working groups. Silviculture treatment has done little to improve the rate of cutover success failure and future softwood yields."

That, to me, was a pretty damning statement on what has happened in reforestation, given all the government's supervision or supposed supervision of the industry and assurances that things are going to improve. The government's response to that kind of comment by people

who have no axe to grind or nothing to gain that kind of warning has always been, "Yes, I admit there have been problems in the past but now we have our forest management agreements."

For the last 50 or 60 years there has always been something to reassure us out there that forestry was going to be in a good state in 10 years to come. It has not quite worked out that way but there is always some new way of reassuring us.

There are problems with those forest management agreements. I think of the problems with public participation. There are a lot of complaints about the superficial way in which the ministry is saying to people in Ontario, "We have strategic land use planning going on out there and we want you to be a part of it."

I think the ads say, "Do you care enough to comment?" That sounds good, but it is one thing to give someone a complex document and say "Comment on it," and it is another thing to say to people: "Here are some options. This is what we have to give up if we do this. These are what the trade-offs are." It is one thing to do it that way and it is another thing to do it the way the ministry is doing it. It gives them this complex document and says, "Do you care enough to comment?" All sorts of people care enough to comment, but when you throw that at them it makes it extremely difficult.

I also mentioned environmental assessments briefly. If we had an environmental assessment of the forest management agreements, a lot of the anger out there could be avoided. The environmental assessment would have to look into the problems of alternative uses and the effect on tourist operators, communities and traditional users of the forest in any particular area, but that is not what is happening.

8:30 p.m.

There are also too many contradictions out there for anyone to believe everything is as well as the ministry would like to have us believe. When you talk to the industry they say there is no crisis; it is clear sailing with the forest management agreements; they are going to be okay now—no problem, in perpetuity, they tell us. I have visited a number of pulp and paper companies and so forth and the industry says, "No crisis."

Natural Resources, naturally, says: "There is no crisis. We have got it well in hand." But if you talk to the professional foresters, they say there is indeed a supply crisis, particularly in species. The ministry will not go quite that far.

They might say: "There could be a shortage but we think we can look after it. We can improve the yield. Do not worry, we will look after it." If everything is so fine, if the industry can have wood in perpetuity, I would really ask them one simple question: why are they so adamant about having that five per cent the parks enthusiasts want set aside as park reserves? At 100 per cent no problem; at 95 per cent suddenly the industry has a problem. Why? Because of five per cent? They cannot have it both ways. They cannot argue there is no problem in one breath, and in the next breath argue they have to have 100 per cent and that 95 per cent is not adequate.

There is no question there is a crisis out there in the forest industry or the industry lobby would not be so uptight about that five per cent. I wish the minister would comment on that at the appropriate time.

The question then arises: why would the industry itself want to cut too much wood? Will they not be hurting themselves? That is what I have had several people ask me. Why would the industry cut too much? Is it not in their own best interests not to cut too much?

I guess the answer is what I have had confirmed by industry people who say: "We have a certain horizon called an investment time frame and if it takes anywhere from 50, 60 to 100 years to grow a tree, that is not an investment time frame. An investment time frame is much closer to 20 years. So you take actions based on 20-year frames, not on 60, 80, 100-year time frames." I think that is one of the problems with the industry. We need only look historically at the problem to reinforce that argument.

If we can improve regeneration, improve the yield and shorten the length of the cycle to grow the trees, God bless us all, that will be a major blessing. But there are enough people who are saying there is no evidence we can do it that way, except in intensely cultivated stands. You can do almost anything if you intensely cultivate them. We have the size of forest that does not allow us to intensely cultivate it for regeneration purposes. We simply do not do it except in isolated little areas.

It would take a massive commitment to forestry, in terms of regeneration, silviculture and nursery, such as we have never seen historically and, quite frankly, for which the ministry has not got the bucks. If you have not got the bucks, you cannot do it. I know you would like to do it, but you simply cannot. We will get into the dollar figures in a short while.

I happen to believe we can have the best of all worlds with our forests. I think we can regenerate them and I think we can share them. I think they can do all those things I mentioned earlier that they do naturally in terms of wildlife, erosion, tourism and so forth, but I think it will not happen unless the ministry makes a different kind of commitment from what it has ever made in the past.

It is very easy for government members in northern Ontario to talk about how they want to give the industry so much in terms of wood fibre because it means jobs, and that anyone who opposes that would be costing jobs. That is a bit sleazy, but it has been known to be done in northern Ontario by government members. I do not think it is the way to do it, but nevertheless that is the way some people conduct their political careers.

I honestly believe that 50 or 100 years from now we are going to be judged more on what we leave for people and more on what we preserve than by the units we cut. I really believe that.

In the short run you can be a hero by cutting everything in sight, salvaging jobs and satisfying the industry's appetite, but in the long run we are not carrying out what I believe is our mandate, or your mandate as a ministry, regarding forestry.

I believe we can have both in terms of parks: setting aside park reserves and nature reserves, whether for high-use parks or wilderness parks. I believe very strongly that we can do that, but it is going to take a minister who is very tough with staking out those things.

I do think the minister has done some good things in the area of parks, and I will tell him what I think they are at the appropriate time, but I do not want him to start thinking this is a love-in or anything like that.

I would like to talk about some specific forestry goals. In 1972, the forest production policy stated that it wanted to be able to cut 9.1 million units by the year 2020, 40 years from now, less than the time it takes to grow a tree.

We are now running at about two thirds of that, about 6.1 million units. This means that between now and the year 2020 there will be a 50 per cent increase in the units to be cut, if my simple arithmetic is correct.

If we are going to do that, it means an almost 50 per cent increase in the area regenerated artificially on an annual basis by 1985. From 1985 to 2020 is only 35 years, so if we are to get that done the foresters figure that 380,000 acres must be regenerated by 1985, compared to

about 260,000 acres now; I stand to be corrected on that figure.

That is based on certain assumptions: namely, that 148,000 acres will be naturally regenerated each year by 1985 and that this acreage will produce 10 cunits for each acre. It assumes that for areas treated artificially the yield will be 20 cunits per acre. We will see if that can happen.

My question, very simply, is how are we going to finance that? Silviculture is a now ministry responsibility under the forest management agreements. How are we going to string out that existing wood supply, given those goals of cunits, pending the maturation of growth of that second forest? That is what I do not know.

I truly do not know. That is not a trick question. I really want to know from the minister how we are going to do that, because basically we are still cutting the first forest out there; there are areas where we are cutting second growth, but basically that is what we are doing.

There are a number of answers. We can get greater utilization of the fibre that is now left in the bush, and some of that is being done with the portable chip mills and so forth. The whole-tree utilization theory is coming on stream, and that is helpful, but I think there are couple of areas where smaller timber licences would lead to higher utilization for each timber block. That is not the direction we are headed in, that is for sure.

Or, we could utilize the parks. Wood is now in what is classified as parks, whether it is Quetico or whatever. That is one way in which the industry is flexing its muscles. We will talk more about that Reed tract because there are some unanswered questions about that.

8:40 p.m.

When I look at the regeneration figures—and I appreciate that the ministry has been helpful in providing some of this information to me—I see figures like this. I hope the minister can satisfy me here, because if he cannot we are going to have to demand that some civil servants come in and help us provide some answers, and I know the minister does not want that.

The figures I have on regeneration are that in 1977-78 190,500 acres were regenerated. That cost \$4.6 million. By 1980-81 251,000 acres were regenerated at a cost of \$7.6 million.

The reason I lay all those figures before you is that in that four-year period there was a 32 per cent increase in acreage and a 67 per cent increase in cost. Cost went up twice as fast as the

amount of increase in the acreage being regenerated.

For the next three years, to 1985, the acreage is predicted to go to 383,000 from 251,000 in 1981. If you extrapolate the increase in cost being similar, you can see that that cost is going to almost double. You really wonder where those costs are going to come from—and that with only eight forest management agreements signed now. The goal is 30 FMAs by 1985-1986.

If the costs are escalating like that now, what is going to happen to those costs by 1985—given the commitment on the part of the ministry to increase nursery and silviculture expenditures? I will tell you that they are mind-boggling.

I want to lay some figures before the minister. The ministry estimated that the cost is going to be about \$130 million a year for regeneration. I think that is the figure. That is with not all FMAs signed. When all the FMAs get signed, it is my understanding that it is going to cost \$200 million a year by 1985.

I would like to know a couple of things. What is the total cost? Is that a realistic figure? I do not know if it is, but that is what I understand a realistic figure.

I have difficulty pulling out of the ministerial material what that cost compares to this year last year if you want, because I am not a forester and I do not pretend to be an expert on it. Give me a benchmark with which I can compare the \$200 million by 1985. I very much want to know that figure, because I have difficulty sorting the forest management agreement costs into their proper segments—regeneration versus silviculture versus roads, that kind of cost breakdown.

I do not know how that \$200 million a year is going to be paid; I do not know where that money is coming from. It is an enormous amount of money. They can get a little more of stumpage fees or increased taxes, I suppose perhaps from federal government incentive contributions to the industry. I do not know, I very much want to know from the minister where he thinks he is getting \$200 million a year for regeneration and silviculture alone, for about all the other costs associated with the ministry.

Let us look at the Reed tract for a moment. Great Lakes Forest Products now has responsibility, if that is the correct term, for the tract that used to be owned by Reed. I do not know what the status of that is. Mr. Fahlgren, com-

oner of the Royal Commission on the Northern Environment—perhaps at another time and in another place we could talk about that as well—had this to say in the study that was done for the royal commission. “Moreover, proposals for one major new undertaking in a vast area to the north of Red Lake are now under consideration.” That was in his report.

What I would like to know is, are negotiations proceeding on the Reed tract? Will there be an environmental assessment on that area, because I can recall a very firm commitment that there would be an environmental assessment on the Reed tract?

There was a comment by Mr. Carter of Great Lakes—I think he is a good friend of the minister—who indicated that his company would acquire 5,000 square miles out of the 19,000 square miles of the Reed tract. How much is being considered? Is that a realistic figure? Are they after more? What is going to happen there? I have no way of knowing and I would be very interested to know that.

The size of those kind of licences is really disturbing, because how do you give any company—and I would probably say this even if it was a crown corporation, which I love dearly—something that big and supervise it yourself, or even expect them to supervise it properly or cultivate it intensely or regenerate it intensely? I do not think it can be done. That will be done only when there are smaller licensed areas. I know that causes a problem because mills are built with a certain capacity and then they expect to have the food to satisfy their appetite.

Anyway, those are some of the questions on forestry to which I would very much like answers when the minister replies. He may want to wait until we get to those individual votes, but I think those are really fundamental questions that a lot of people would like answers to in forestry.

There is another area which is near and dear to my heart, namely, wetlands. It may seem a strange transition from forestry to wetlands. The member for Halton-Burlington mentioned this as well. Wetlands is an issue that means almost nothing to people until they really get into it. It is a funny kind of issue I found. Until people think about it, until they read something about it, a swamp is a swamp until it is brought to their attention that there is a great deal at stake in the maintenance of wetlands.

I think the people who are concerned about wetlands—the group I know best is the Federa-

tion of Ontario Naturalists—are most reasonable. They are doing us all a service by keeping it before us and before the government as an issue because significant wetlands are declining at between one and two per cent a year. That is serious because at that rate a lot of it will be gone before long.

I cannot find a policy on wetlands. I have no idea what the ministry's policy is on wetlands. I find it hard to believe that after all this time there is no policy, but if there is I do not know it.

8:50 p.m.

There was a report made—I think it was called the Mansell report—and as far as I know, it has never been released. Maybe I missed it, but that is hard to believe; I think I get everything the ministry publishes, which is plenty, and I do not think I have ever seen the Mansell report.

As a matter of fact, speaking of what you publish, I want to show you what has come to my home. These are land use plans. They have been mailed to my home in Sudbury, and since I have a very humble abode, I have no room for filing it and I have to carry it down here. The trouble is I had to rent a pickup truck to get it here.

I get all these land use plans and I like them. They are really neat, even though those are not open yet. The trouble is I have to respond to them all within a month or so. I guess if I wanted to respond to any given one I could, but you get them all like this delivered to your place with nice little notes from the district managers, who are really trying to be helpful.

I know what the minister is doing. The minister wanted me to immerse myself in these and not be prepared for these debates of his ministry. I know exactly how the minister works. I do not know how I am going to read all those and appear at all the open houses all across Ontario and get my response in within a month or so.

Do you know the most frightening part? A whole bunch of letters said, “When we have completed more we will send it to you.” That is the terrifying part; there is still more to come. Anyway, I did not want to get off on that.

Mr. Chairman: Julian Reed has answered all this already.

Mr. Laughren: He has probably been to all the open houses too. I do not know whether I should burn a lot of that stuff; I do not think it would burn.

I would like to know where that Mansell

report is. It was completed; I do not think it has been released.

Mr. G. I. Miller: What do you heat your house with?

Mr. Laughren: Oil.

Mr. G. I. Miller: Do you mean you do not cut your own wood?

Mr. Laughren: No, I do not cut my own wood. I am worried we are going to run out.

Mr. J. A. Reed: You do not even burn your own mail?

Mr. Laughren: I would like to know why we do not have a policy on wetlands. All we need is another discussion paper. What we really need is a policy on wetlands. I have a feeling that when Lorne Henderson was Minister of Agriculture and Food there was a great deal of difficulty bringing in any legislation on wetlands because he was mainly concerned with drainage. Lorne went to Florida to study it and he came back very enthusiastic about land drainage.

I would like to know why there has been nothing done to deal with the conflicts in wetlands policy with other legislation. I would like to know why nothing has been done about that. Mr. Reed mentioned the whole question of incentives for drainage but there are no incentives for protecting what is already there. That is a tough one to deal with, because do we say that we provide tax incentives or money to protect just what is already there? That is a tough question and not an easy one to answer.

To give the Federation of Ontario Naturalists credit, they are not asking for protection of all wetlands. They are saying "significant wetlands." I think they are a very reasonable group and this ministry has not dealt very nicely with them by putting them off and off with one discussion paper after another. I think the ministry should publish a summary of inputs from citizens on wetlands. I know there has been some. The minister mentioned it in his leadoff.

I think there should be a draft wetlands policy given to us, tabled in the Legislature, so people out there know what the ministry is doing. If you are not prepared to come in with an absolute policy saying what the wetlands policy is, at least bring in a draft policy before the Legislature and say: "This is the draft policy. Now let us have input on it". Surely to goodness you can do that much anyway.

I have not been able to find the letter, but I think there was a commitment at some point by some minister, maybe even this one, that June 1982 was going to be policy time for wetlands. Is

that right? No one is nodding his head vigorously or shaking it vigorously either. I believe commitment was made that June 1982 was policy time for wetlands. It would be nice to see it.

Surely you have had enough time. Do you know what you could do? It just occurred to me. You could table the Mansell report. You could table the citizens' inputs from across Ontario on wetlands and you could come out with a draft wetlands policy so people would have all the time to read, to study, to think about, and then submit to you their comments on your draft wetlands policy.

Mr. J. A. Reed: I support that.

Mr. Laughren: Do you support that? See Julian's on my side, and we are usually not—

Mr. J. A. Reed: I do not usually support Socialists. We are always suspicious—

Mr. Laughren: No, you do not, but you are coming my way on nuclear though. Some of my own colleagues are coming my way on nuclear but that is another story.

Mr. J. A. Reed: I think the Mansell report should be tabled.

Mr. Laughren: I think that could be tabled. I see no reason why we cannot have that, to my goodness. The Minister of Agriculture and Food (Mr. Timbrell) does not know anything about drainage I suspect, so it would be a good time to sneak in a good wetlands policy.

Mr. J. A. Reed: He is going to be growing corn through asphalt.

Mr. Laughren: I have read the submission made to the minister by the Federation of Ontario Naturalists in March of this year. I was very impressed with that submission. It was very reasonable. It does not ask for anything that is all out of line or that the minister could not live with.

I do not understand this strange delay something like the wetlands policy. I would be very interested in hearing the minister's response.

That brings me to an area I will not spend a lot of time on because we have had about three debates on it in the last week; wild rice. We had the Ministry of Northern Affairs debates; we had a debate and a resolution in the Legislature this afternoon; and now we have the Natural Resources estimates. We had a short exchange with the Premier (Mr. Davis) a week or so ago as well.

When I asked the Premier in the Legislature about extending the moratorium on the harvest

of wild rice by nonIndians, he sounded very positive and hopeful even that maybe something could happen there. When the member of London North, Mr. Van Horne, stood up and said, "I do not think you are going to do it," Mr. Levis said: "I do not think you should assume that I am not going to do it. You know this is an area where you and I do not"—you know, and on and on.

Mr. J. A. Reed: You have to watch the Premier, though. He slides around in circles like none I ever met before in my life.

Mr. Kolyn: Best stickhandler in town.

Mr. Laughren: I have been watching him for 11 years. The Premier at least gave some hope to people out there that it could happen. Then you ask the Minister of Northern Affairs about it and you would think we had asked him to turn in his grandmother to the vice squad. "Oh, extend the moratorium? That would not be the answer." He hooted when we suggested wild rice could become an exclusive resource of the native people.

I am not here going to get into why I think the Minister of Northern Affairs feels so strongly about the harvesting of wild rice. I will let others draw their own conclusions as to who his friends are and what kind of industry they have in northwestern Ontario.

I want to tell you, there are a lot of nice-sounding phrases by this government about our Indian people in Ontario, but when it comes time to do something meaningful you are not there. You are simply not there. You know this minister is still living down the performance of his ministry on the Moraviantown incident about a year or so ago. That is still staying with the minister and it was a very unfortunate incident. It should not have happened. We have been through that one before.

9 m.

I really believe we could declare wild rice as the exclusive Indian resource. It would put a few noses out of joint, but isn't that too bad? It would be an act of generosity, and I think a legitimate act, given that Paypom document, which I think the minister has seen. I would very much like to know whether the minister has seen it. It was given to the Premier about a week or two ago.

hon. Mr. Pope: I was at the meeting.

Mr. Laughren: Right. I think it is a legitimate document. I would be interested in knowing whether or not the minister thinks that was legitimate or is illegitimate. I have seen a copy

of it, just as the minister has. There are about three or four other similar documents floating around out there, worded almost the same way.

There is very little doubt, at least in my mind, that that is a legitimate document. If it is, then surely it is time we lived up to some of those obligations of a hundred years ago and turned over that resource to our native people.

I would like to know whether the minister agrees the province has a role in the economic development of Indian communities, or whether he sees that as the federal role, with the Ontario government just being supportive. I think there is a terribly important principle at stake here. If the minister does not regard the province as having a role in the economic development of Indian communities it changes the debate. We shall debate it in a different way than if the minister does believe there is a role for the province there.

I believe the federal government has set aside \$345 million over the next five years for Indian development across Canada. I believe Ontario has about 20 per cent of the Indians in Canada—I am not sure of that figure—and this government should be in there aggressively hustling the federal government for the kind of money that would allow for proper economic development, with some assistance from the province as well.

In my view the extension of the moratorium in itself is not something that should be regarded as a major concession by this government. This is the fifth year. It is the last growing year under the moratorium and the first two years were no good. The third year there was a bumper crop, but the prices disappeared. That was three years. In the fourth year, 1981, there was a pretty fair crop, and we do not yet know about this year; at least I do not. I think there are plenty of arguments to be made for extending the document.

I think some progress has been made during the last five years. The argument that bothers me on the part of the ministry is when they say: "Oh, we're not going to extend the moratorium. We've been there for five years and nothing's happened."

I think that is unfair. In the last five years the Indians have brought forward that Paypom document, which I believe justifies, strengthens and reinforces their argument that it is their resource. They have developed a sectoral program, and I believe that program was presented to the minister and the Premier at the same

meeting as the Paypom document. Am I correct?

Mr. J. A. Reed: That was about the Hydro water level.

Mr. Laughren: It was a different meeting? Okay.

They have this sectoral program to develop the industry. It is a program to develop the wild rice industry, the harvesting, processing and marketing of the crop. I think it is a good one. They are going to the federal government with money.

So they have developed the Paypom document, the sectoral program. They have won the right to sit on the Lake of the Woods control board, to control the level of water—I believe it is an observer status, which is a bit much, but at least they are there.

I think that is measurable progress in five years. It may not be what the minister thinks could have been accomplished with the industry, but it is still measurable progress.

A lot of seeding has been done. Right now, for example, when seeding is done, the Indians do not know whether they are going to have the right to harvest what they are seeding. Why should they go ahead and aggressively seed if the results are going to be given over to someone who has a big harvester and flits across Ontario with the personal blessing of the Minister of Northern Affairs? Why should the Indians make that commitment to seed when they know they may not be able to harvest what they have seeded?

I think the Indians have done some good things and that the minister and his government are too quick to judge whether or not they have moved quickly enough. I do not think that is the government's role.

Quite frankly, I do not know what this ministry has done to help the Indian people with wild rice. They have commissioned that report by Dr. Peter Lee, which the Minister of Northern Affairs tabled the other day.

I believe the Ministry of Natural Resources has two wild rice harvesters. One is too big to use efficiently and the small one can do the job but when the Indians have asked for it they have been refused. When the ministry did put on a demonstration and harvested the wild rice, it kept it. Talk about chutzpah.

I think the ministry really has not put itself out to help the Indian bands in the harvesting of wild rice. They have done the absolute minimum and have spent no actual dollars, that I can find, anyway, in the Indian communities on the

harvesting of it. So there is all sorts of room for improvement there.

The ministry is not known for its ability to work in harmony with Indian communities. Right now, there is a memorandum of understanding on fishing, which I believe is supposed to establish an interim settlement on fishing agreements involving the federal government, the provincial government and the Indians. The purpose is to reduce conflict and to prevent things like Moraviantown from occurring again.

I believe—correct me if I am wrong—that the Ministry of Natural Resources agreed not to lay charges while this memorandum of understanding was in force. I guess it depends on whom you talk to.

I would like to know what the minister's policy is. I believe some charges have been laid against Indians fishing over the quota last year. Correct me if I am wrong.

Hon. Mr. Pope: I can get into the charges.

Mr. Laughren: I would like to know what those charges are being laid, in what district, and am disturbed at what I think I see within the ministry.

Finally on Indian matters, I would like to know to what extent the Ministry of Natural Resources is facilitating the hiring of Indians in its programs, particularly the seasonal ones. It would be interesting to know how many of the 500 political referrals are Indians, for example, although that is not the only question. What are you doing to improve the hiring of Indians in northern Ontario?

I would ask the minister to respond on the matter of the wild rice.

One of the things in the ministry which we did not even get to last year, believe it or not, was mining. We did not even get to the mining forestry votes, if I recall correctly.

9:10 p.m.

That is why the critics tend to go on at so much length in their leadoffs. They are afraid they will never get to it if they do not talk about it first. We never got to either the mining or forestry votes last year, which is ridiculous. It is not that it was the minister's fault, I am not saying that.

Mr. Riddell: That is because you kept interjecting when he gave his opening remarks and you went on with that for two nights.

Mr. Laughren: I agree. The opposition took up the time, not the ministry.

Mr. Riddell: Right.

Mr. Laughren: Although, to be fair,

ministry did have a few things to say that facilitated the gobbling up of time.

Mr. J. A. Reed: The word is "irresponsible."

Mr. Laughren: Yes.

I would like to talk a little bit about mining. I was reading the Ontario Mining Association document, which has a beautiful piece of ore on the front cover; gold, I believe—

Mr. J. A. Reed: Is that a platinum blonde or farther ore?

Mr. Laughren: Never mind.

They are talking about the contribution of mining to Ontario. They have some good statistics. "Though the 40,000 people employed in mining and mineral processing in Ontario make up one per cent of Ontario's labour force, the mining industry produces 37 per cent of the value of Canada's metallic minerals, or about \$4 billion worth of metals and minerals each year." That is a very substantial figure.

Mining employees comprise one per cent of Ontario's work force. As a whole they make up about 15 per cent of northern Ontario's work force." That was before things started happening in the Sudbury basin.

Mining is a terribly important resource in Ontario. They do make a comment which needs to be made, I believe, that Detour Lake, an area near and dear to the minister, "will be the first new mine to go into production in Ontario since 1919."

That is six years, a long time. During those six years the ministry kept saying: "We've got the economic climate and the political climate that will encourage exploration and development. We're worried about all your socialists, you're away investment in the mineral industry." While this was all happening, exploration and development was going on at many times the pace of Ontario elsewhere in Canada where there were socialist governments.

Interjection.

Mr. Laughren: That is true.

Interjection.

Mr. Laughren: Does that include the number of mines opened in the last five years?

Mr. Pope: That is exploratory drilling in million feet, and you will see that Ontario has exceeded Quebec and Saskatchewan in the last five years; and 25 per cent of that is due to the Ontario mineral exploration program.

Mr. Laughren: I can make a speech for an hour and a half or two hours on forestry and then I can talk about the fact of their belonging to

the public sector. I cannot talk about minerals for five minutes without telling you that is where they belong, in the public sector.

They are nonrenewable. If we are going to maximize our return on a nonrenewable resource, that is where they have to be.

If anyone ever thought that the minerals of this province are being well managed in the hands of Inco and Falconbridge Nickel Mines and so forth, I wish they would spend a day with me in the Sudbury basin and just talk to people about what has happened.

You know, at one time Inco—Inco basically, but Ontario—controlled 90 per cent of the world's supply of nickel, and did we ever blow it as a province! For example, we allowed Inco to get extremely rich, to become one of the world's largest, most powerful corporations in the entire world and to blow that money in Indonesia, in Guatemala, and on the ESB Battery Co. in the United States—money that they made primarily here.

We allowed them to do that, instead of putting their money into diversification in the Sudbury area for the processing. People do not believe that Falconbridge Nickel Mines Ltd., after almost 50 years in the Sudbury basin, still ship all their ore to Norway for refining. We do the dirty and the dangerous work here, namely the digging out and the smelting, and send it elsewhere where the value added is put on.

It is outrageous that the government has allowed this to continue. Now, of course, Falconbridge is going through difficult times, as are a lot of other companies; so is Inco. Try and make the argument now that there should be a Falconbridge refinery in the Sudbury basin and the reply is, "Oh well, you simply cannot do it."

They had their salad days in the Sudbury basin too, and Falconbridge is not a struggling little entrepreneurial enterprise. They are part of the huge Superior Oil empire of Howard Keck and family in Houston, Texas. They are very big and powerful, and very wealthy.

When I think that to this day we are still importing 70 per cent of the machinery that takes out that ore, I wonder where in hell this government has been for the last 50 years. Now you are finally struggling forward, inching forward with attempts to manufacture mining machinery in Sudbury; so little, so late.

It did not seem to matter over the years how often people pleaded with the government, yelled at the government, embarrassed the government, the argument was always, "Well, if

it should be done, the free-enterprise system will do it." They did it to us all right.

When I moved to Sudbury there were 18,000 hourly rated employees at Inco. Today there are about 10,000, and when they are working they are producing more ore, because the company brought in the scoop tram and out went almost a whole shift of workers. About 12 people had done the work one scoop tram could do.

That would be fine if we were building the scoop trams here, but we are not building the scoop trams here. Well, we build some at Jarvis Clark, but on machinery in general, we capitalize and we do not build the machinery here.

This government has always felt that if the free-enterprise system did not think it should be changed, then this government was not prepared to change it. They did not want to involve themselves in the marketplace.

We are seeing the results now and we are paying the price now.

We could have had a cleaner environment, because of a different set of priorities. I think of the money that was put into the Third World, not for the benefit of the Third World, and lost eventually; it was put into a battery company in the United States. That money has been written off now and the Sudbury people are paying for that.

Some of that money at least could have gone into pollution abatement, but it did not. It could have gone into diversification and machinery in the Sudbury area; it did not. It could have gone into improved safety and health in the mines; it did not.

When I think of the surplus that has been generated in that community over the years I get very angry at the knee-jerk and very ideological response of this government, that if the free-enterprise system does not do it it cannot be right, because the free-enterprise system knows best. That is the attitude of this government when it comes to mining and it always has been, without exception.

Probably the worst example of it all was the Honourable Leo Bernier, who presided over the decline of the north and continues to do so. It did not matter if we were talking about safety and health in the mines—I could become very nasty and personal when I think about Leo Bernier's role in the safety and health of the Elliot Lake miners; very nasty. I will not go into that here.

His response on that matter and on machinery and on taxation of the mineral industry was just

deplorable, year after year after year. It was only when he was almost literally bludgeoned, verbally bludgeoned, by Stephen Lewis in the committee, that he capitulated and appointed the Ham commission, which did recommend some good things and some things have been implemented since then.

When I am retired from politics I will have many pleasant memories and some unpleasant ones too. My memories of Leo Bernier will dominate the unpleasant ones. I really feel very strongly about that and very angry.

9:20 p.m.

Anyway, back to these estimates. I guess it is a case of priorities when it comes to mineral development. With mineral development I believe the stakes are too high to be left to people whose interests are not our interests. If you think for a minute that Inco's interests are our interests you would really wonder why they have done some of the things they have done in taking their money elsewhere.

If you think that Falconbridge's interests are our interests, you would wonder why they have not built a refinery many years ago. If you think that Rio Algom and Denison interests are our interests you would have to wonder why they did what they did on safety and health matters and exposure to radon daughters in the mines at Elliot Lake. All the data was there to show it was dangerous. If you think those interests are our interests, then we are viewing this matter in a totally different world from each other.

I do not know when the self-interest of the private sector in mining coincides with the interests of the workers, of the community where the mines are located or of the tax collector, namely the provincial government—for that matter the environment too. There is a coincidence of interests. They are not congruent.

We can pretend as long as we like that they are more efficient, they are best left to do, because it is best in the private sector. Go on saying that. Go on saying that until the mineral is gone and you have nothing left to show for it.

I look at those communities that have run out of ore and I ask you, what did we get out of them? We did not build stable communities; we did not build diversified communities that could exist after the mineral is gone. We did not even get a maximum return from those companies while they were there.

I wonder what kind of society we have that says to the private sector: "Here is a nonrenewable resource. When it is gone it is gone. You

with it what you like until it is gone, and you do with us what you like until it is gone."

It is not a case of foreign ownership, or Canadian ownership in this case, it is a case of private ownership. I do not make this argument for manufacturing. I do not make it for forestry. I make it for very few sectors out there, but for a nonrenewable resource, so help me, I do not know how you argue otherwise, given the evidence of the last 100 years—more importantly 70 to 75 years.

There are mining communities other than Sudbury, but Sudbury is the motherlode. You look at that; you know what is happening now in Sudbury. Falconbridge has a work force of 4,000; about 2,800 are hourly rated and about 1,200 salaried. Most of you heard today that Falconbridge has announced that they are going to reduce their work force by 25 per cent by the end of the year.

They did this in the middle of negotiations. The contract is up around August 20; they announced today that they are reducing their work force by 25 per cent, staged from September to January. There will be early retirement incentives; 100 or 200 will take that, probably not that. That will mean that workers with up to 10 years' seniority will go down the road. That does something to a community that is very hard to rebuild.

To have done this on top of the strike at Inco, and in the middle of collective bargaining, was an outrageous act. I want to tell you if you think the Inco workers are bitter now, go and talk to the Falconbridge workers. I have not had a chance to do that because it just happened today, but I will this weekend. I can imagine what they are going to be saying and feeling about that kind of behaviour on the part of a company that does not seem to understand what that community has given to them over the years.

That community has given Falconbridge a living environment for its workers that encouraged them to stay there—through tax dollars provided the kind of services, education, health and social, that encouraged a stable work force; provided Falconbridge with the right to ship its ores to Norway for 50 years without building a refinery; allowed them to do whatever they wanted with the profits they earned—there was no control over what they did with their profits—and then, because it suits their immediate purpose, they do this. You cannot tell me that was absolutely necessary.

I am not arguing, I hasten to add, that a

company should be required to keep a surplus work force when there are very serious problems in the nickel markets. I understand that, but you cannot tell me that this timing is coincidental; you cannot tell me that they could not have waited and resolved the collective bargaining agreement before they did this.

Isn't that simply outrageous? Only about a month ago they closed down a mine called Onaping Mine in the Sudbury area and transferred the people from that mine to other parts of the operation. There were no layoffs because that way they did not have to give any kind of severance pay to those people. They absorbed them into the company and later they will be part of the mass layoff.

I know what the company will argue. They will argue that they had to give notice now because of the requirements of the Employment Standards Act which requires so many weeks' notice if you lay off more than 10 per cent of your work force. That is true.

Does that mean it had to happen in the middle of a collective bargaining agreement for a company that big?

Not at all. With any kind of decency, with any kind of appreciation for what the community and the workers had given the company over the years, it would not have happened. It simply did not have to happen. It really is frustrating to see that happen, given how one-sided the issue is—and it really is a one-sided issue.

I wish our resources were not treated in such a cavalier way. They are a precious thing and cannot be regenerated; therefore, they should have a much higher priority on the part of government. One thing that I think would help, though it would not solve all these problems or anything, would be if we had—this is a special pitch I am making; I have not made it before—an independent geological assessment of ore bodies in Ontario. We do not have that now; if we do, it is news to me. We do not have any idea of what we have.

I could show you Inco annual reports—I have not checked for a couple of years, but I bet you could go back 20 years or maybe longer—where, if you looked up the known reserves of that company they are always between 15 and 20 years. You can go back 15 or 20 years, maybe 30 or 40, I am not sure.

The point is that each company decides on its own what its reserves are. There is no independent geological assessment of mineral reserves in the province. If the government does not know that, how can it plan the future of

mineral-based communities? How can you do it?

Look at the northwest, with the iron ore mines. The government does not know what is going on there. It does not know what is going on at Inco or Falconbridge or how many years of minerals are left there. You can say, "We trust the company and we will take their word for it." It is always 20 years or 15 or whatever. To be fair, each year they go deeper they discover how much more ore there is, in their view, but we have no independent geological assessment of ore bodies in the province. I think it is something we should have as it would allow us to plan better.

9:30 p.m.

Also, I might add, when we know how much resource is there, we all know that a resource life is partly dependent on the price of the resource. When we had a select committee on the Inco layoffs about four years ago, in 1978, Inco admitted to us that the grade of ore it extracted would depend on the price. That should not have surprised any of us. What was worrisome about it was that if there is an ore body, and because it is nonrenewable it is a finite body, if the price is \$2 and at \$2 it is worth taking out a fairly low grade, should the price drop to \$1.50 it no longer becomes economical to take out the lower grade and they will take out only the higher grade, naturally.

The trouble is that in the future, when the price goes up, they cannot go and get that lower grade they left behind because it is not worth taking out by itself. It is only when it is taken out together with the higher grade that it is worth taking out.

Because the private sector operates only with this tunnel vision of maximizing its return, if you do not have this independent geological assessment you have no way of knowing whether the private sector is high-grading the minerals or not. They could be creaming it and you would have absolutely no idea. You would know only that if you had an independent geological assessment with a sliding scale of price and grade of ore, then you have some control over the life of the ore body, you have some control over whether or not companies are skimming it, and you can plan.

I know the minister has heard lots of this from my colleague, the member for Sudbury East (Mr. Martel), but when National Steel closed down there was an ore body left there. The company made, I believe, \$6 million the year before it closed down. The town of Capreol had

spent millions on sewer and water projects, on schools and all sorts of social infrastructure, only to have the company walk away.

I do not think that is right, I do not think it is fair and I do not think you have to be anti-business or anything like that to see that that is not fair. A commitment has been made on the part of the public sector to provide decent living conditions for employees and then the employer walks away, bang, just like that. They did not have to justify it to anyone; they just did it. They said it was their right to make that decision and so they made it. I think that is fundamentally wrong.

It also would facilitate planning for one-industry towns, smaller towns. I am thinking of even smaller towns than Sudbury. It would allow the government to plan with the private sector what the life of that community would be in years and allow them to get into joint ventures if they wanted to do it that way.

For example, if you had to take out a lower grade ore and thought it was appropriate to mix the lower grade and the higher grade to extend the life of the ore body in the community while other things were put in place, you could have a nice joint venture there to make sure that happened in a sane kind of way. That does not happen now. We are still back in the days of smash-and-grab resource development, and surely that day should be gone.

The last major item I would like to discuss is the question of parks. I know you have been wondering why I have left it to now.

I must say the ministry should be complimented. The Monzon report was done, it came out, it is not quite the blue book but it is a report. The minister has committed himself to many more parks very soon, next year as a matter of fact, and I think that is very good. I do wish to compliment the minister on that, although I am sure he can sleep well tonight whether I compliment him or not.

Mr. J. A. Reed: He needs it.

Mr. Laughren: I'm sure he does. Now that you mention it, I believe there are two ways to measure the security or insecurity of a minister and I have been a minister watcher for 10 years now. The insecure ones will bring in no civil service staff or too many.

This minister has not convinced me he is secure yet. He has to provide all the answers himself. There are some very good foresters who should be in here answering some questions.

Hon. Mr. Pope: Do you think you can name them?

Mr. Laughren: I can name a couple of them. I would like to talk to people about some of these silviculture and regeneration figures.

I am worried about the nature reserve parks, which tend to be fairly small parks, I believe, not parks for high use or high traffic or anything like that. I am wondering how many of them you have got in the northeast section. I think it is very few. I am not absolutely certain of that.

Hon. Mr. Pope: There are four or five in the north Cochrane area.

Mr. Laughren: Are you going to declare the town of Cochrane as a reserve?

Hon. Mr. Pope: No.

Mr. Laughren: Would you make sure that there is no sleazy attempt by the government to move its regional office from Cochrane to Foleyet?

I was concerned about the lack of what I felt were nature reserve parks in the northeast. That's pretty big area when you compare it to the number in the other parts of the province. Perhaps you could tell us how many there are.

When you released your statement on the Monzon report, you talked about the interim guidelines and you mentioned them in your readoff remarks, as a matter of fact. I am worried that there is not enough protection here, enough safeguards, in those interim guidelines if we are serious about protecting some of those areas. I would like to know how the minister plans to do that, given the fact that there is still staking and mining allowed in those areas, and I do not regard that as a very serious safeguard for protecting those parks.

The whole question of logging in Quetico is still with us. It seems to me the public does not want it. It is part of that whole question of whether or not the industry needs 100 per cent or whether 95 per cent of what they want is what they should be given. If we let them log in Quetico Park, I believe it would be a mistake. I have not seen the correspondence, but I believe the parks council has asked you for a response on logging in Quetico Park. I would like to know what you have done there.

The other thing is Atikaki, one of your favourite issues. It took me a while to get my mind around this issue because I am not very familiar with that part of Ontario. It took me a while to really understand it. I think I understand it finally, the alternative routes.

Do you understand it, Mr. Reed?

Mr. J. A. Reed: No.

Mr. Laughren: I am not absolutely certain, but I understand it better than I did. I looked at it and it seems to me the Atikaki proposal is a very nice compromise route. It joins up Red Lake and Kenora. It does things for two Indian reserves which each Indian reserve wants. It comes in close to the provincial power development.

The minister is anxious to say something.

Hon. Mr. Pope: I am going to bring the map over in a little while. We can go through all the options and we will show you some of the considerations we are dealing with.

Mr. Laughren: On Atikaki?

Hon. Mr. Pope: Yes. We have a great big map with all the options on it.

9:40 p.m.

Mr. Laughren: Okay, that would be useful, because I have read some of the material and it seemed to me that the Atikaki thing accomplished a lot of what everyone wanted. I did not understand the resistance to it. It really did seem to me to answer a lot of the problems around Atikaki.

I am glad that you brought those maps in, because I looked at the different routes and it seemed to me that it is the closest thing we can get to a good compromise that does not give anybody exactly what they want, but on the other hand comes close enough to meeting the needs of the various groups there for you to live with.

I suppose the industry is terribly—I suppose that is Boise Cascade Canada Ltd., isn't it, in there?

Hon. Mr. Pope: In the Pakwash management unit it is basically Boise, and in the Minaki management unit there are six or seven smaller operators involved.

Mr. Laughren: I am glad you have the maps, because I really would be interested in talking about that. It seemed to me that the tourist operators and the two Indian reserves, the hunters, the towns involved, all liked the route you did not like, or that you did not appear to be liking. I would be very interested in going over those maps with other members of the committee.

With that, Mr. Chairman, I thank you for your indulgence and I look forward to the minister's response on those few issues that I have raised.

Mr. Chairman: Thank you very much, Mr. Laughren and Mr. Minister.

Hon. Mr. Pope: I would like to thank Mr. Reed and Mr. Laughren for their comments. They have raised a number of important issues that I have been looking forward, quite frankly, to dealing with in this forum, so that we could have a freewheeling discussion on it.

I thought I might start, because of the discussion today in the Legislature, with some of the issues surrounding our native people, and lay out a few of the issues as I see them evolving.

Perhaps the first thing to do is to answer some of Mr. Laughren's questions on the memorandum of understanding. Basically, in 1978 this issue was starting to evolve as an issue, and Mr. Auld issued some guidelines with respect to restraint in the pressing of charges for native people who were fishing for personal consumption.

At the same time, even at that point, most of the bands or specific individuals who were members of the band had commercial licences for certain species and were subject to the normal quota restrictions that were assigned to the bodies of water they were on, and it was allocated out to the different commercial fishermen.

That system had been going on for some time. There had been some charges in Moraviantown that arose soon after I became minister and that created some concern.

We felt that the best way to handle this—and it was the feeling of both our ministry staff and of the native people—was to have a forum in which we could negotiate, not an interim policy per se, but changes to the Ontario regulations that would provide for certain fishing rights for native people. The memorandum of understanding indicates that we would continue our policies of restraint.

You dovetail that statement in the memorandum of understanding with the internal guidelines for the review of charges that we provided to the federal government and all the bands, chiefs, and grand chiefs of the native peoples' organizations in the province, and out to our field offices. We feel we have a system in place that can at least alert us to some potentially troublesome charges or information about to be laid against native people with respect to certain fishing activities.

It is my belief that since we have commenced the memorandum of understanding, every time an information or a charge has been laid it has come to my personal attention for review. There have been adjournments in some cases

that are still pending and in other cases the charges have been withdrawn.

There are basically three classes of cases. A number of individuals in one certain band had substantial overfishing on their commercial quota last year. The argument was whether or not certain individual members of that family had the permission of the owner of the commercial licence to use his licence to fish and to sell the fish they caught.

We reviewed those charges in Toronto, and it is my belief that those charges are about to be or have been withdrawn because we do not think it is appropriate to have that kind of dispute going on among members of the family when we are trying to settle a number of these issues, including the internal discipline system among the band members in the use of the commercial licence in the memorandum of understanding context.

The second group of charges has been with respect to failure to file annual returns; that is not automatically laid at the end of the year so that, bingo, you get it if you do not file it. We have made a number of attempts by phone or by personal conversation or by registered mail to try to get the proper returns in for the commercial fishing licences. We have an immediate communication system set up with representatives of the treaty organizations in the province and their lawyers. So there is communication from our office right to their lawyers and negotiation on these things.

We have indicated to them on a number of occasions, including on the latest set of potential charges, that if those annual returns can be completed with some assistance, then the charges will be withdrawn. The lawyers representing the native people are aware of that offer and I believe they are working with them to complete the annual returns.

To my knowledge, there have been no charges laid this year with respect to overfishing. We have heard of some possibly being laid and we have told them not to lay them. If you are aware of any charges having been laid for overfishing, we will deal with them immediately if you can get the details to us.

The charges that have been laid and prosecutions that are proceeding are with respect to the taking of fish in spawning areas—generally where there has been a native and a non-native involved in it, or sometimes just a native—where there has been a clear violation of what is recognized by the Indian people and by us as good conservation practices. This includes going

into the spawning streams and spawning areas, netting them, using lights and using all sorts of apparatus and equipment just to drag them out of the streams.

Mr. J. A. Reed: Would it be appropriate to ask a supplementary at this time, or am I interfering? I am just curious to know, just as a matter of interest, how it happens that this overfishing charge emerges at all, especially as it involves native people who live in a particular habitat and whose livelihood, to a certain extent at least, depends on the abundance of fish in a given area.

You said at one point, towards the last of your statement, that it most often involved native and non-native people. I am just wondering what precipitates it. Is there a lack of knowledge, or is it just a matter of piracy on the part of a very few?

It would seem to me that if I were part of a native community, living in an area where my livelihood depended on the sustained yield of fish, I should be more concerned than the ministry about maintaining that sustained yield. Could you enlighten us as to how those things work?

5:50 p.m.

Hon. Mr. Pope: My reference to native and non-native was with respect to the charges that have been laid for illegal fishing, generally in spawning grounds. The over quota is with respect to band licences or licences issued in the name of one individual or several individuals who are members of the band. We establish quotas, based on our biological studies, which were all sent about a year ago to the native organizations in the province so they would know the data base.

Mr. J. A. Reed: Do they comment on them too? Are they able to respond?

Hon. Mr. Pope: They have not responded to date. One of the chiefs has indicated he disagrees with our assessment of Shoal Lake which we think is on the verge of absolute calamity. The Huron Robinson organization, around Georgian Bay and Lake Huron, was concerned about establishing some sense of what species are under stress and therefore what quotas or restrictions on fishing are required. It asked us to provide a biologist for their exclusive use to study the issue from their point of view. We have done that.

Mr. Laughren: The pulp and paper industry an overcut but the Indians cannot overfish. What is the difference?

Hon. Mr. Pope: How about the rest of the commercial fishermen in the province? Are you saying we let them overfish?

Mr. Laughren: No, but you have a memorandum of agreement with the Indians that you will not lay charges this year.

Hon. Mr. Pope: No, that is not what it says at all. I tried to read it out to you. I do not have it here, but I can tell you what it says because I remember the negotiations. It says we will continue to exercise our policies of restraint with respect to fishing for personal or band consumption.

Mr. Laughren: Can you tell us what district charges have been laid in?

Hon. Mr. Pope: There have been a number of districts. A lot of them—well, not a lot, but several, because there have not been that many—have been laid in Kenora. There have been some laid north of Cochrane and I believe there have been one or two in southern Ontario.

Mr. Laughren: Charges dealing with overfishing the quota?

Hon. Mr. Pope: I just told you, I am not aware of any charges that have been laid for overfishing of quota.

Mr. Laughren: On last year's quota?

Hon. Mr. Pope: Yes, that is what I am saying. I am not aware of any charges laid for overfishing of last year's quota.

Mr. Laughren: Not even in the Kenora district?

Hon. Mr. Pope: No.

Mr. J. A. Reed: I guess really my interest here is that the native people are just as interested, if not more interested, in preserving the fish stocks.

Hon. Mr. Pope: The only case you may be referring to is the Skead case. That was the one where the different members of the family were involved in fishing and no one was charged for over quota. I think they were charged with fishing on someone else's licence. Rather than proceed with that and get about 20 people in court in the midst of these negotiations for the memorandum of understanding, we withdrew the charges. That is the only one I am aware of.

It is true there were investigations going on in a number of districts. These examinations took the form of—and this will answer part of your question—examining the signed receipts in the hands of a number of the wholesalers, retailers and commercial buyers in the area and of the Fresh Water Fish Marketing Board which has

some involvement in some of the lakes of that area.

The conclusion that overfishing of the commercial quota has gone on is based on those receipts. Clearly they were selling the fish and receiving receipts. That is how one proves the commercial transactions. We do not go in and judge whether or not they are fishing for personal consumption. We rely on the receipts at the other end of the process to prove there is a commercial transaction taking place.

Your other basic question is the concern of the native people with respect to conserving the species and controlling the amount of the catch so they can have a continuation of supply. The fact of the matter is that in the past most of those decisions were made by the Minister of Natural Resources on the basis of its own scientific data. There was a feeling by the native communities last year, and I assume well before that, that they were not involved in the discussions.

That is why last year we supplied them by mail with all the documentation we had on every area of the province. We asked them to reply to us if they had any problems. The reply we got from Huron Robinson said they had some concerns about our studies. They asked to have the exclusive services of a fish biologist for eight months and that we pay his wages and expenses. They wanted to use him to develop their own criteria or perhaps do a critique of our documentation. We agreed to do that.

The only other response we had was from a chief of a band located on Shoal Lake. It is a fishery in very serious trouble. He has indicated he does not agree with our studies. They hired—either that band or Grand Council Treaty 3—a fish biologist who did some work for them for two or three years. They no longer employ him. It is my understanding there was not a substantial attack on our conclusions as a result of his work.

All we have said is we have to make our best judgement. It applies equally to non-native commercial fishermen on the lakes and the native commercial fishermen on the lakes. We have to allocate the quota. We try to do it on a fair system. The non-native commercial fishermen complain about the quotas just as much as do the native commercial fishermen.

There is always a dispute—be it in Lake Ontario, Lake Erie, Lake Huron, wherever you go—over whether or not we have sound data on which to base our management decisions. That will never cease, no matter whom we are dealing with or who has the commercial licences.

The native people have indicated they too have a conservation ethic. They want to be involved in examining the scientific information data. They want to have resources available to them. They have approached the federal government and they have brought it up in the tripartite negotiations to have the expertise at their disposal to analyse our data.

They want to get involved in management of the species along with us. We are hopeful we can work on a joint decision-making process to establish the quotas. We are hoping they will be able amongst their band members to establish an internal disciplinary system so they themselves can decide which members of their band will fish under commercial licence. We are also hoping personal consumption will contain some guidelines for their band members in terms of both the methods of fishing and the absolute final take from the lake of various species. All of that has to be ruled into it.

Without giving away too much detail of the process of the negotiations under the memorandum of understanding, I can tell you that we have discussed the community standards. We have discussed the need for band bylaws. We have discussed programs to have native conservation officers dovetailing with some duties they must perform under the Indian Act and the funding for their training.

We have discussed with the federal government and the native people their jurisdiction on the reserve lands with respect to the inhabitants of the reserve and with respect to adjacent waters. We have discussed the concept of team conservation officer approaches and some of those issues. We have discussed the delaying of charges against non-natives with respect to fishing in adjacent waters to reserve lands and options native people should have to be tried by a justice of the peace on the reserve or by a justice of the peace in the nearest community.

All of these detailed things have been discussed. We have maps out on the table. We have plotted for every district of the province. We have discussed the commercial fishing licences, who owns them, whether they be native or non-native, what the quotas are for the different species and what our scientific data is with respect to what that lake can stand.

At this point, we have also discussed—I know my friend, Mr. Wildman, will be interested in this—the James Bay settlement, which was proposed not by us, but by the representatives of the native people. Then, at various times on our own, we went down and talked to the

government of Quebec and the federal government about how it was working. Everyone came to the conclusion that we should go our own way and try to devise another system that might more appropriately meet Ontario's needs.

10 p.m.

The truth of the matter is that no white person was affected by the James Bay settlement. There were two tourist outpost camps on the rivers and lakes of the lands turned over to the native people, and both of them were illegal. The situation is vastly different in Ontario, where there are tourist outpost camps, tourist facilities located in various spots, cottages and a real mix of land use by both native and non-native people in various parts of northwestern and northeastern Ontario.

The reason we have all the maps on the table and are trying to go through them is to sort these things out.

Mr. Wildman: If I might interject on that, I think the minister would probably agree that not only is the government involved, but the Cree of Baie James now feel that the whole thing needs to be rethought because it has not proved a satisfactory way of dealing with it.

Hon. Mr. Pope: I think they are some \$300 million in debt and the resolution of conflict mechanism does not work. There are all sorts of lawsuits going on concerning people who were omitted from the treaty and claim they have some aboriginal rights. The whole thing has not worked. What we are trying to do is work on a more realistic system we think can help them out from economic and social points of view by providing some support.

Are you going to read one of those? Amazing.

Interjection: Out loud?

Hon. Mr. Pope: No, do not do that.

Mr. Laughren: Read it into the record.

Hon. Mr. Pope: All I can say is that we have tried to exercise restraint. There is no doubt that there have been some problems, but everyone has been working on it.

I think if you read a more recent edition of Ontario Indian, where they describe the atmosphere of the negotiations, you will see there is goodwill on all sides to try to get down to the detailed discussions and to try to resolve the thing, to try not to antagonize, and to keep everyone calm on both sides, because there are problems on all sides.

We now have technical groups going through the details of the maps and the documentation.

There is massive documentation and stacks of maps to go through. We are also having meetings outside the tripartite forum to try to sort things out. We are hopeful we can meet our deadline of mid-August. It is not certain, by any means, that we can but I think we are fairly close to doing it.

I have attended all the sessions myself as the Ontario representative. Mr. Chénier, who is the parliamentary secretary to Mr. Munro, and one of Floyd Laughren's very good friends, is representing the federal government. Mr. Charney, a Toronto lawyer, is representing the four native people's organizations in the province, plus the Six Nations, who have been included as a negotiating party. We meet about once a month at the Indian Commission of Ontario offices. The last two meetings have been all-day sessions.

I think that is all I can helpfully say about the negotiations. If there are any further questions on that, I would be glad to try to deal with them.

On wild rice, the issue with respect to the moratorium has not been decided by the government. It will be my responsibility to bring a recommendation to the cabinet and I intend to do so. I am aware that in the first two years of the moratorium there were water level problems at Lake of the Woods.

Also, I would like to put on record a couple of things I think are very important. We had a meeting of the cabinet committee on native affairs and most of the native people's organizations in the province in May 1981. It was one of our regular sessions, but one of the things on the agenda was wild rice.

At that time, I indicated to all the people there that in recognizing the cultural and religious significance of wild rice to the native people, we wanted them to designate for us specific areas which they felt had that particular significance. We were prepared to work with them on a licensing system which would satisfy both their needs and our requirements under the provincial law. We do have a specific law with respect to wild rice harvesting.

In a follow-up discussion with Chief Robin Greene on June 10, 1981, in my office, which he attended with his officials, I put the same offer to him. I did likewise to the representatives of Grand Council Treaty 9. I followed up on June 26, 1981, with the following letter to Chief Robin Greene:

"Further to our discussion in my office on June 10, I believe it would be useful for me to

reiterate a number of the points I made relative to wild rice.

"In the first instance, I would be interested in knowing some specifics which Treaty 3 believes are required from Ontario, relative to equipment, economics, assistance, etc., in order that the development of the wild rice industry, as it relates to the Indian people, can be increased in a substantive way. I believe that it is important that I receive your thoughts on this matter before making any judgement as to what may or may not be needed.

"I believe I indicated that it is not the policy of this government to provide unconditional grants and that it is important that I have an indication from you as to what you perceive to be your needs in this particular area.

"I believe I also indicated that I have some feeling for the cultural and religious significance of wild rice to the Indian people but that I also require from you an indication as to those areas that you deem to be important for these purposes. Once these areas are known, I am confident that we can take the necessary steps to protect them in order to conserve them for their continuing contribution to a traditional way of life.

"I would further request that you make this information available at the earliest opportunity to Mr. R. M. Monzon"—a rather famous name now—"deputy regional director in our Kenora regional office who, by copy of this letter, I am directing to advise me when the information is received in order that I may review it at the earliest opportunity."

I think Mr. Laughren referred to this last page in last year's estimates:

"Finally, I have considered your request for an extension of the moratorium and must advise that at this point I do not feel an extension of the moratorium is warranted." That is in 1981.

"It is true that in the first two years of the moratorium, high water was experienced on Lake of the Woods. However, rice crops in the surrounding area were not adversely affected by water levels and, in fact, bumper crops were achieved in these areas.

"Further, I understand that while last year produced a bumper crop of rice on Lake of the Woods, there were difficulties with respect to obtaining sufficient markets and, as a result, prices for green rice were low and demand was down.

"However, it is premature to consider a moratorium at this time, but I would be pre-

pared to consider the situation in another year if you feel it is necessary."

Mr. Laughren: When was that?

Hon. Mr. Pope: June 26, 1981.

"We have sufficient time to achieve agreement on these points that are being considered in a tripartite forum, and I am confident that agreement can be reached, given the commitment by all parties to work together toward the common goal. Ontario is prepared to resume discussions at the earliest opportunity.

"In summary, I look forward to receiving your response to my requests and I remain confident that we can reach agreement to the problems facing us."

A similar letter was sent to Grand Council Treaty 9 and to the other organizations in the province.

It is not fair to say that nothing has happened. There have been discussions with respect to the problems of the harvesting equipment. I think Mr. Laughren was accurate in his statements on that.

We have indicated, and we think the problem is now resolved, that the harvesters are available to the native people at any time for the harvesting not only of seed rice, but for the commercial harvesting of the rice crops.

Mr. Laughren: Given the fact this was last year—

Hon. Mr. Pope: But the fact of the matter is that they have not responded in specifics to what additional equipment they need. I clearly asked them on June 26, 1981, to do so and every time I have met with them since that date I have asked them the same thing.

Mr. Laughren: Did you tell them that the harvesters were for demonstration purposes only and not for them to use?

Hon. Mr. Pope: No, I did not.

Mr. Laughren: Is that the policy of the ministry?

Hon. Mr. Pope: No. Not now.

Mr. Laughren: Not now?

Hon. Mr. Pope: No.

Mr. Laughren: It was the policy?

Hon. Mr. Pope: I just told you that we have changed—

Mr. Laughren: No, you did not put it that way

Hon. Mr. Pope: Yes, I did. I am sorry, I did. I you go back and read Hansard—

Mr. Laughren: All right.

Hon. Mr. Pope: Okay, that is exactly what I said.

Mr. Laughren: Okay.

Mr. J. A. Reed: Just while we are on this subject of water level fluctuations, were those extreme water level fluctuations caused by the natural runoff in those two years, or were they caused by the Hydro controls?

Hon. Mr. Pope: It is a controlled waterway, as Mr. Laughren pointed out, and therefore it would naturally be a combination of factors affecting the control decisions that were made.

Mr. J. A. Reed: Do you know how much fluctuation there was in those two years?

Mr. Foster: Two or three feet.

10:10 p.m.

Mr. J. A. Reed: That is quite a bit. I am just wondering when you are applying constraints on water level preservation or head preservations on hydraulic power plants if you are going to apply the same constraints on Hydro as you are on the private sector when we develop small water power, inasmuch as you have stipulated in the terms of the bid on the Mattawa power that the water levels will have to stay within one foot.

Hon. Mr. Pope: Getting back to Lake of the Woods—

Mr. J. A. Reed: What kinds of constraints do you apply there?

Hon. Mr. Pope: If my friend the chairman could speak, he would tell you there are a number of agencies involved in the Lake Nipissing-French River system and there is a group of people on an advisory board that gives some advice to the engineers involved. Hydro is involved; so is Public Works Canada.

The chief of one of the bands of Lake Nipissing, Chief Phil Goulais, is a member of that board, to answer your question. I appreciate that observer status only is on Lake of the Woods now, but I think that indicates where we are heading.

I just appointed the committee on the Lake Nipissing-French River system in March. I think it is fair to say that in some of the decisions and advice we give to those operating the structures we apply the same standards, at least in the Lake Nipissing-French River system, to everyone.

Mr. J. A. Reed: I am hopeful that the kinds of concerns that were expressed and that are being applied in the Lake Nipissing-French River system and the Mattawa system are applied in Lake of the Woods, because it would appear that the wild rice harvest in Lake of the Woods is

economically significant to those people. If there ever was a good reason for trying to keep water levels within a kind of framework, in so far as it is humanly possible, it should be applied. In fairness, those constraints should be applied with some sort of consistency.

Mr. Laughren: You do not sound so optimistic as the Premier.

Hon. Mr. Pope: I don't know how you interpret what I am saying. Sometimes I have trouble.

Mr. Wildman: In interpreting what you are saying?

Mr. Laughren: You do not know either, eh?

Hon. Mr. Pope: Sometimes I do not.

Mr. J. A. Reed: I guess we are all together there.

Hon. Mr. Pope: I think Mr. Laughren indicated a policy that the harvesters were for demonstration purposes only and I think the basis of that, in fairness to you, is a letter that Mr. Monzon sent to Robin Greene the day before I was named to cabinet as Minister of Natural Resources. In that he indicated they were for demonstration purposes only, that started the original misunderstanding.

Mr. Laughren: Mr. Monzon gets around. Except here. Has he ever seen this place?

Hon. Mr. Pope: Oh, yes. He has even seen you in action.

Mr. Laughren: Me?

Hon. Mr. Pope: He would never admit it if he was here now.

Mr. Laughren: No.

Hon. Mr. Pope: We have had a number of meetings with Grand Council Treaty 9, Grand Council Treaty 3 and specific bands in north-western Ontario over the past eight or nine months in which some of these issues have been worked out. I think there is a clearer understanding now.

With respect to traditional harvesting methods, I think that if you analyse the decision that was made in Mud Lake, the priority that was given with respect to the status Indians, the Metis and the settlers, all of whom claimed aboriginal rights to harvest wild rice—Mr. Laughren, you are not listening to this—we indicated that we would not interfere with their harvesting techniques and would not evaluate them from any prospective or technique assessment.

All we are interested in seeing is some evi-

dence of the development of commercial enterprise. The way they harvested, the methods and what market they supplied were purely their decision and we indicated we would not monitor their performance on a year-to-year basis but we would give them time to develop. I think that is the attitude we are trying to adopt with respect to harvesting wild rice throughout the province.

I have to say also it is my understanding that Treaty 3 is in the midst of preparing a comprehensive proposal to go back to the tripartite process and try to resolve this issue over the summer months before the moratorium expires. That was one of the reasons why I wanted to delay the decision on the moratorium, in the hope of developing that kind of a process so we could resolve the issue instead of extending the solution into the next moratorium.

Mr. Laughren: Extending the solution?

Hon. Mr. Pope: Extending the problem, excuse me.

Mr. Laughren: Extend the solution; that is not a bad slip of the tongue.

Hon. Mr. Pope: I hope the solution will be extended; I would hate the problem to arise again.

Mr. Laughren: You will have to check it out with Mr. Monzon.

Hon. Mr. Pope: The issue of wild rice is, I think, about to be addressed in a very comprehensive way in the tripartite process. We have indicated that we feel there is a need for some financial commitment by everyone to improving the harvesting systems and to involving the native people in the harvesting.

They themselves approached the Premier and have approached the Treasury Board of the federal government with a comprehensive study on wild rice harvesting and the potential markets that exist in North America. They have asked for \$15 million from the Treasury Board and I understand it has that under consideration.

We have indicated to Mr. Munro and, hopefully, through him to the Treasury Board of the federal government, our willingness to get involved in the detailed discussions on what land they need, because they do give us some estimates of the number of acres they need to meet their production targets and they do indicate the need for a reserve for future expansion. We have indicated we are prepared to sit down and take out the maps and go through the process of allocation.

I think everyone is agreed that we are not making, by inference or directly, any decision with respect to whether aboriginal rights or treaty rights exist or not, but rather from the point of view of trying to resolve an economic problem, and that is by providing another economic activity that truly has potential for the native people of the province.

With respect to the Paypom document Mr. Laughren referred to, as I understand the document it is the recollections of someone who signed as a witness on the original Treaty 3 document; it is his recollection of the words of the treaty. If you compare the two, it follows the sections of the treaty. When it gets to the section—it is 11 or 13; I cannot remember the number now—with respect to fishing, the witness includes some phraseology about the harvesting of wild rice, but the treaty document makes no reference to it. I think that is the dispute, as I understand it.

I am aware of Mr. Justice McKinnon's decision on the bullfrog case where he says the courts will look at any other records that may have been in existence or may have some interpretive case.

Mr. Laughren: Where are the bullfrogs?

Hon. Mr. Pope: I have no idea; no one has asked me for them.

Mr. Laughren: I am asking you.

Hon. Mr. Pope: Do you want them? I am going to ship them to your house. You asked for it; they are going to go to your house by mail and in nonrefrigerated packages.

There are a number of people who have guns and game seized and not returned. The only time I get involved is when they ask to have it returned. I will find out what is going on. I have not had a request to find out what is going on, I will be quite honest with you. We have lots of contacts with the native people's organizations, but I have never had a request. I might be wrong but I cannot recall any.

10:20 p.m.

On the treaty document, I am aware of the bullfrog case, where Mr. Justice McKinnon indicated that he would look at interpretive documents or any other documents that might have relevance with respect to interpretation. I do not know if this is one of those cases or not.

Mr. Laughren: We could bring in one of Ontario's finest legal minds, Mr. Renwick, to talk about bullfrogs.

Hon. Mr. Pope: Good. I wish he was here. I do not know—

Mr. J. A. Reed: How many pounds of bullfrogs are being impounded at the present time?

Hon. Mr. Pope: I do not know. You are making me lose my thread.

I do not know if it will have any relevance in terms of potential legal action if we can come to some agreement on the harvesting areas for wild rice, and if the native people are satisfied with that.

I do not know if that will solve the problem or whether they want to go through a process of treaty interpretation. I cannot predict that; they have not indicated one way or the other to me.

We really have not had a chance to interpret the Paypom document. We have not had our legal people look at it, that I am aware of. Although we have handed it over to them, we have not had a report back, so I really cannot give you our interpretation of it at all, or the effects on it in terms of the understanding of Treaty 3. I am hopeful that the issue will not have to go to court, in any event.

I wanted to talk, just for six minutes, about the Bear Island claim. You are probably aware that negotiations started on Bear Island two weeks ago. The former bishop of Moosonee, the Right Reverend James Wotten, and the Honourable René Brunelle are representing the government of Ontario in those discussions.

The court case will be a long and complicated one: there have been lots of preliminary motions. The two outstanding motions from our point of view relate to production of documents that we think are quite vital to the case.

We understand that the case may continue, even though negotiations are proceeding. It is my understanding that the Ministry of the attorney General's staff is prepared to commence some of the elements of the case in order not to protract it or carry it out.

We are anxious to have a settlement to that claim because we think the alternative is a continuation of a caution on that land. As Mr. Dixon indicated this afternoon, the land is both the site of Maple Mountain and of the wilderness park. It is also the site for hundreds of pipelines, outpost camps, telephone and hydro transmission lines. The trans-Canada pipeline runs through that area.

The area is virtually covered with timber licences and volume agreements. It is a very complex multiple-use part of the province and so has a high mineral potential—the entire area does, not just the wilderness park.

We think it is important that the matter be resolved. If it is not it will go through the Supreme Court of Ontario; there will probably be an appeal to the Court of Appeal and to the Supreme Court of Canada, and all of that is going to take years.

No one is going to benefit from that process in terms of compensation or financial assistance; no one is going to benefit in terms of development to that area of the province. That is why we would hope that the negotiations of a settlement will be successfully concluded.

We have laid out a number of general principles of settlement to the native people as a basis for our participation and they include an economic development program, some social programs for that band, including some community facilities that we think are required.

It is going to take some time because the issue has been going on since 1972 or 1974. We are hopeful that those kinds of negotiations will have some positive effect.

I should also say, with respect, going back to Shoal Lake and Lake of the Woods, that at the request of the local chief we had an independent review done by someone from outside the ministry on the commercial overfishing and whether or not fish being caught were improperly being allocated to native licences. That report was delivered to me late this afternoon and we are analysing it now. We will get back to the chief on the conclusions from that independent review.

On a case-by-case basis, on a band-by-band basis, we have been trying to work with the chiefs and band members to resolve some of these disputes and differences of opinion about facts rather than let them get into a legal forum, so that we can get a clear understanding. It is my feeling that the only way there can be some settlement of some of the irritations for individual native fishermen is if we have a clear communication system, not only from myself to the grand council chiefs and the chiefs, but also from the chiefs to the individual fishermen.

The quotas have to be known. It is just not good enough to tell the individual fisherman to fish commercially and sell whatever fish he catches. That is why an internal discipline system with band bylaws and band enforcement procedures is absolutely essential. Otherwise we are always going to have the overfishing problem. We are always going to have demand by others that we take steps that are normally applied to everyone else in the province when there is an overfish in a commercial quota.

We are trying to do that. At the same time, with respect to personal consumption, we are trying to back off and indicate that their traditional methods or any other methods of fishing for personal consumption are acceptable as long as we are aware of them; as long as they tell us where the nets are located and they give us some indication of an understandable marking system so we all know whose nets they are.

Again, those kinds of pieces of information and policies are being developed in the tripartite forum under the memorandum of understanding.

The problems are not resolved, but I think the irritations have been lessened and I am hopeful that the end of these negotiations will have a solution that everyone concerned can live with. Probably after we have finished that, the whole thing will be thrown into a shambles when the interpretation of our aboriginal and treaty rights is finalized under the Constitution.

Mr. J. A. Reed: Any chance of native people who are band members training as biologists and going into conservation?

Hon. Mr. Pope: One of the issues that is being discussed in the tripartite process is with respect to the training of native people in the entire resource area at various levels, including tech-

nician levels, conservation officer levels, auxiliary levels in the band; all of these things are being discussed and there is no closed door to any potential solution.

The federal government has been told that we expect a financial commitment from them in terms of salary and in terms of contributing to the training cost.

I have some other comments, but I guess I should adjourn.

Mr. Chairman: No, you could suggest that the chairman adjourn. Go ahead and adjourn if you want.

Hon. Mr. Pope: I know you are all interested—

Mr. Chairman: I know that clock is at least 30 seconds fast.

If you are at a stage, Mr. Minister, where 30 seconds is not enough to go on to your new train of thought, I am sure the committee will—

Mr. J. A. Reed: I never thought 30 seconds was enough for the Minister of Natural Resources.

Mr. Chairman: —acquiesce that we adjourn until Tuesday at eight o'clock.

The committee adjourned at 10:29 p.m.

CONTENTS

Thursday, June 10, 1982

Opening statement: Mr. Laughren.	R-307
Adjournment.	R-330

SPEAKERS IN THIS ISSUE

Harris, M. D.; Chairman (Nipissing PC)
 Kolyn, A. (Lakeshore PC)
 Laughren, F. (Nickel Belt NDP)
 Miller, G. I. (Haldimand-Norfolk L)
 Pope, Hon. A. W.; Minister of Natural Resources (Cochrane South PC)
 Reed, J. A. (Halton-Burlington L)
 Riddell, J. K. (Huron-Middlesex L)
 Wildman, B. (Algoma NDP)

From the Ministry of Natural Resources:
 Foster, W. T., Deputy Minister



Ontario LEGISLATIVE ASSEMBLY

No. R-13

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Resources Development
Estimates, Ministry of Natural Resources



Second Session, Thirty-Second Parliament
Tuesday, June 15, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.



LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Tuesday, June 15, 1982

The committee met at 8:10 p.m. in room 151.

ESTIMATES, MINISTRY OF NATURAL RESOURCES

(continued)

Mr. Chairman: I call the meeting to order.

As I vividly recall, we were in the middle of the minister's reply, which we were all eagerly anticipating. Minister, if you wish to carry on, the committee would be delighted.

Ion. Mr. Pope: There were a few points raised in the context of opening statements, Mr. Chairman, and I indicated that I would try to get some information for the members for this meeting.

A particular concern was expressed by both Mr. Reid and Mr. Laughren with respect to the Miaki and Pakwash crown management units as the road choice that has to be made in that part of the province north of Kenora, and with respect to some of the opinions that have been expressed by the local people of various occupations and interests in the community.

We have not made a decision on the matter. I have had an opportunity to talk to the local woods operators as well as some of the tourist operators and parks proponents in the area.

Mr. Laughren: Are you implying that we may actually affect the decision?

Ion. Mr. Pope: I am just indicating the various options that have been put forward by one group or another at various times in the whole discussion. The only representatives I have not met with are those of Boise Cascade.

There are two crown management units there; one is the Minaki unit, which is over on the far side, and the other one is the Pakwash unit.

Mr. Wildman: Where have I heard the name "Minaki" before?

Ion. Mr. Pope: I don't know. I keep running across it.

Mr. Laughren: Why do you still use it?

Ion. Mr. Pope: The Redditt Road is the orange, yellow and red options. The Jones Road is on the other side; it is the blue and purple options. Those are the names of roads that branch out of Kenora. That is how the local people refer to the two options.

In terms of our meetings, I guess the whole thing started in February. On February 11 we had a meeting with our local staff and the tourist operators and indicated at that time we were prepared to consider some alternatives. The tourist outfitters appointed eight representatives to work with the ministry and proposed what we call option C.

Then on February 17 the cabinet committee on resources development was in Kenora. Presentations were made to the cabinet committee then by Mr. Wermager, Mr. Lehnhoff and the Grassy Narrows Indian band.

Interjection.

Hon. Mr. Pope: Actually, it had a good response.

Interjection.

Hon. Mr. Pope: We have had several meetings since then. We are just full of consultation on this one.

Mr. Laughren: They would agree that you are full of something.

Hon. Mr. Pope: In late February we started to assemble some basic engineering information, costs, impact and the statistics on the tourist industry. The red squares are the base camps and the red triangles are the fly-in camps or the local camps.

Mr. Villeneuve: Excuse me for my ignorance, Minister, but are any of these waters polluted by mercury or anything?

Hon. Mr. Pope: The English-Wabigoon River system, which is just about where your fist is; that is the famous English-Wabigoon River system.

Mr. Villeneuve: Does that affect this area here?

Hon. Mr. Pope: No, not north of there.

Mr. Villeneuve: I see. Up around Minaki?

Hon. Mr. Pope: Yes. Since then, there have been a number of meetings with Mr. Mark Wermager. Meetings with him in March led to the development of alternatives E and F, which you will see coded on there. Alternative E was the option preferred by the Atikaki group.

On March 17 we received option G from the tourist operators and started to develop engi-

neering costs and impact statistics on that. We had our first meeting with the operators on March 18 to discuss all the options.

Mr. J. A. Reed: Has Ontario Hydro had any input into this at all, or has it been asked for an opinion?

Hon. Mr. Pope: Yes, they have been contacted. I guess the band and the tourist operators in Red Lake have indicated that the Maynard Falls route, which is the blue one, seems to have a high potential in terms of development of a hydraulic generation site.

Mr. J. A. Reed: I know there is a site there that is considered one of Hydro's top 10 choices.

Hon. Mr. Pope: That's Maynard Falls. Do you see where that is?

Mr. J. A. Reed: Yes, I do. Right here?

Hon. Mr. Pope: That's it.

On April 8 we also had meetings with the Kenora District Camp Owners Association and the Northern Ontario Tourist Outfitters Association executive, and they expressed a preference for option F.

We had meetings with the Ear Falls and Red Lake councils and the Red Lake District Chamber of Commerce on April 12, 13 and 14. We had made a presentation to the annual meeting of the Kenora District Camp Owners Association.

On April 30 we had a meeting of the tourist outfitters to try to reach a consensus with them.

Spaced through that whole process there were also meetings on and off with Boise Cascade at which people looked at different options and tried to come to some decision or settlement of the matter.

Mr. J. A. Reed: Boise has not had input as yet, I take it.

Hon. Mr. Pope: They have been at the meetings that have been held locally. I have not discussed anything with them. So they have had local input, but to this point I really have not—

Interjections.

Mr. Kolyn: How long will it take for construction?

Hon. Mr. Pope: Depending on the route, it will take from four to six years. The reason this is important is that there are, to my recollection, 10 licensees who employ 230 woods workers, who are working in the area just near where Mr. Chairman has his fist at this point.

The extension into the Minaki management unit relates to those 10 licensees. All estimates indicate that there is five to six years of wood

supply available south of the English system, and because it takes four to six years for the road construction, depending on the native, that is why we must be making a decision this summer.

Mr. J. A. Reed: It seems to me that one of the options hook up Kenora and Red Lake?

Hon. Mr. Pope: Well, they don't exactly come fairly close. They hit into Long Lake Road. What is the distance over to the existing road to Red Lake? Of course, the Lake council probably would take the position that whatever option you took you probably would extend up to Red Lake and eventually phase in—

Mr. J. A. Reed: They would like some sort of connection—

Mr. Laughren: That is going to cut off some miles.

Hon. Mr. Pope: The other thing we should tell you is that the Minaki crown management unit is the one on which we have been dealing with the 10 existing licensees in Kenora, and the Pakwash management unit is the one on which we have been dealing with Boise Cascade at a local level.

Mr. J. A. Reed: Is there anything about the options that will deny them access to where they want to go? The minister obviously has a profound choice to make here. There are going to be arguments in terms of cost, access and ultimate benefit to society with the interconnection between Red Lake and Kenora, etc. Obviously, Boise has an interest, and the licensees have an interest too, in where the roads are. Some of these options appear to try to add some of those requirements.

8:20 p.m.

Hon. Mr. Pope: One of the problems we have is that in the fall of 1981 an agreement was reached with the federal government through the Department of Regional Economic Expansion for the funding of this access into the Minaki crown management unit as a for access road under joint federal-provincial funding.

Mr. J. A. Reed: Using a previously chosen route?

Hon. Mr. Pope: Going through Separat Lake, which was the farthest west.

Mr. J. A. Reed: This one?

Ms. Fish: This one in pink and yellow?

Mr. Mr. Pope: Yes. I think there is some desire there to get on with that funding arrangement. We have indicated to the federal government that we are reviewing the whole thing. There is no doubt that the financial arrangements made with DREE are with respect to forest access. Not that this necessarily should have a Tordonnal impact on the decision, but it is something to keep in mind in terms of our arrangements with the federal government.

The other thing I should tell you is that the advisory committee from the Northern Ontario Tourist Outfitters Association indicated its choice was going from east to west. Their first choice was Maynard Falls, their second was Indian Lake, the third was Lount Lake and their fourth was Separation Lake. On May 6 in a letter they indicated that if Separation Lake or Lount Lake were taken, there had to be some alignments made to those road routes to minimize the impact on existing outfitters and campers.

Mr. Laughren: Putting aside the DREE agreement for the moment, no matter which route is chosen, will it be paid for entirely out of public funds?

Mr. Mr. Pope: I can't say that. The reason I can't say that at this time is that it depends on whether we cover some of the longer-term costs of access into the Pakwash management unit through the funding arrangements under the forest management agreement process.

Mr. Laughren: Under that, doesn't the ministry pay for roads?

Mr. Mr. Pope: Not necessarily. I was going to get into that later. There are certain inflation clauses that have the effect over an extended period of time of loading some of the inflation factors on to the companies under the terms of the review—

Mr. Laughren: But basically they are public roads?

Mr. Mr. Pope: Basically they are roads funded by the government.

Mr. J. A. Reed: If Hydro proceeds to develop Maynard Falls, it will have to have some sort of access, regardless. Does that mean Hydro would participate financially in one of these options or here to help with the construction?

Mr. Mr. Pope: There is access there now. The argument would be whether there would have to be a substantial upgrading of that access.

Mr. J. A. Reed: I see.

Hon. Mr. Pope: That is the argument on some of these other options as well.

Mr. J. A. Reed: When you say there is access here now, there is access presumably as far as Maynard Falls. Is there access farther along than that?

Hon. Mr. Pope: No. Just to Maynard Falls, as far as I can recall.

The other thing I should tell you is that the 10 licensees in Kenora who are trying to get access to the Minaki management unit—and I have investigated that pretty carefully, and it has been indicated to them over the past few years—take the position that if we go up to Jones Road and then across into the Minaki crown management unit, it is going to add substantially to their operational costs.

Mr. J. A. Reed: There was an argument put forward when I was listening to one of the presentations that one of these options, through Red Lake, actually would increase access for Boise, because it would give another track.

Hon. Mr. Pope: It depends on where you want to put Boise in terms of its harvesting operations in a 10-year time frame. There are some considerations on this that have to be brought into the picture, because of other considerations that are being dealt with right now in land use planning with respect to park proposals and things like that.

Mr. Laughren: If you look at the Atikaki proposal, as you call it, would that not give you the best compromise? It does not perhaps satisfy anyone totally, but is it not a compromise route that provides access to the industry, satisfies both Kenora and Red Lake in terms of a link and answers the Ontario Hydro problem? I do not pretend to have a profound knowledge, but it seems to me to be a route that answers a lot of questions for a lot of people and the Indian reserves too.

Hon. Mr. Pope: There is only one reserve involved in this one.

Mr. J. A. Reed: There are a number of fly-in camps that seem to favour this one as opposed to that one.

Hon. Mr. Pope: It depends on whose ox is getting gored.

By the way, we have a table that is the summary of the analysis; we will provide that to you, so you will know where we are coming from on the thing in terms of our cost analysis and everything else. Naturally, that has been

controversial as well, but everyone has had access to it.

I guess the one main problem in the Atikaki proposal has been the access into the Minaki crown management unit and the costs for the 10 licensees, who average 23 employees, and whether they can bear the haulage cost out of there. You are right; the actual construction cost is pretty academic. You can cover that one way or another, but it is haulage cost that those companies would face that is concerning them.

All I can tell you is that I have not made a decision. I have been hacking around in my own mind the combinations of alternatives. Although I know I have to decide soon, I just have not made a decision.

Mr. Wildman: What is the name of the reserve and where is it located?

Hon. Mr. Pope: It is just south of Maynard Falls on the blue road on the map, almost where your pen is.

Mr. J. A. Reed: Grassy Narrows.

Hon. Mr. Pope: Right in there. That is where the community is. Again, there is a road there. It is the quality of the road that is of concern to everybody.

Mr. J. A. Reed: I see.

Mr. Chairman: The committee is almost going to have to go up there and spend a little time. We are full of good ideas—

Hon. Mr. Pope: We can Xerox this summary table for the members of the committee. They can see the costs we are looking at and some of the considerations we have in mind. In fairness to a lot of the groups, they have been working on alternatives and realigning some of the other alternatives as well, in case we choose one way or the other. In the last couple of days I have just had some further information forwarded to me.

Mr. Laughren: Does the minister look upon these groups as allies? I kind of get the impression that rather than looking upon them as allies, you look upon them as a nuisance when they really should be able to make your job a lot easier by offering alternatives and arguments you had not thought of, by giving a balanced approach to the development.

Hon. Mr. Pope: That is why we have been seeking them out for the past year and a half or so. On issues like this they do provide balance in terms of concepts and things that should be taken into account when we make the decisions. Sometimes they do not necessarily resolve conflicts, but they do provide a balance to the thing;

they have for me, anyway. I spent four hours one night meeting with some of the tour operators right here in Toronto. We had them come down and meet with me on it.

Mr. J. A. Reed: When you do make a decision on this, are you going to be able to make a decision based on the information, or are you going to be prejudiced by the fact that the ministry itself has indicated certain preferences prior to the presentations of some of the options?

Hon. Mr. Pope: No, not really. In fact, the ministry staff has worked with some groups to develop some of those options.

Mr. Laughren: I think Julian makes a good point, because that was why certain groups wanted the decision to be taken out of the hands of the Ministry of Natural Resources, despite the fact that it was the obvious ministry to make the decision, and put in the hands of the Provincial Secretariat for Resources Development for environmental assessment; but that is really reaching with this ministry.

Mr. J. A. Reed: It is reaching with a ministry.

Hon. Mr. Pope: We have to build it in five years.

8:30 p.m.

Mr. Laughren: The provincial secretariat should have made the decision, not the ministry, because it just did the very thing that Julian points out. The ministry already had a view on it.

Interjection: Mindset.

Mr. Laughren: Mindset is right.

Hon. Mr. Pope: No one suggested that. You are the first one.

Mr. Laughren: That the Provincial Secretariat for Resources Development look after it?

Hon. Mr. Pope: Yes.

Mr. J. A. Reed: We know ministry officials can change their minds, certainly.

Interjections.

Mr. J. A. Reed: It is quite intriguing to me that.

Hon. Mr. Pope: Anyway you mentioned it and I just want to let you see the maps. I will give you copies of the summary tables.

Mr. Chairman: This committee has offered \$500,000 for this type of research travel and I don't know whether you want to waste all on that. Be careful before you decide.

Hon. Mr. Pope: Some of the issues raised in the initial statements with respect to forestry I may be able to deal with rather briefly in case we do not get to them this time. I wanted to indicate that there has been some concern expressed with respect to regeneration or reforestation. It is my feeling we are making progress because of a variety of instruments we have in place and the involvement in reforestation by a number of private operators. That is going to be extended throughout northern Ontario into a number of small communities. It is pretty well in place up Highway 11 now and is in various stages of development.

We estimated we have produced bare-root and seedling container stock in 1981-82 in the amount of 75 million trees. We know for a fact we have in place 30 million to 32 million trees in addition to that. I will get into the reason that is going to have an impact on the success rate right now.

There is a great problem in terms of success rate with large government-owned nurseries in certain areas, and I give Kinogami as one example. The greening on the trees in the Kinogami area is about 10 to two weeks prior to the greening of the trees in the Hearst-Kap area. When the trees are green they have to be planted. If they are planted before the climatic situation is correct in the Hearst-Kap area, the failure rate is high. That is being duplicated in a number of parts of northern Ontario, and it is having a dramatic impact.

Another thing is we were going with bare-root stock and not putting as much emphasis on the containerized. We are changing that now. You will find that most of the private nursery operators in Englehart, Ramore, up in Cochrane and soon up in Hearst and Calstock are into containerized seedlings. They are easier to handle and seem to have a better success rate. In any event we think—

Mr. J. A. Reed: I am sorry to interrupt. What is the total loss? What is the mortality between the percentage that dies and the numbers that are left in the pails or dumped over the edge of the hill at five o'clock in the afternoon when the guys go home?

Interjection: It is 75 per cent.

Mr. J. A. Reed: It is 75 per cent; that is very high.

Ms. Fish: It is 75 per cent of what?

Hon. Mr. Pope: Survival rate.

Mr. J. A. Reed: That is incredibly high.

Mr. Sweeney: Where do we get these figures of 20 to 30 per cent in some areas?

Mr. Laughren: The same place the minister got his 75 per cent.

Mr. J. A. Reed: For heaven's sake, at my own farm in southern Ontario I am lucky if I get 60 per cent; I really think I am ticking.

Hon. Mr. Pope: I think we have provided some statistics and a response to that question. Anyway, I think our target in 1984-85, by continuation of this private greenhouse contract system, is about 125 million trees. Not to start anything, our estimate on harvesting and production from both private and public land sources is six to seven million cords per year. That is in the neighbourhood of 60 million trees.

Mr. Sweeney: To harvest 16, you are going to plant 125. Is that what you are saying?

Mr. J. A. Reed: And for the 75 per cent success rate—

Mr. Sweeney: So that is where the two for one comes in.

Mr. J. A. Reed: Minus the real losses.

Hon. Mr. Pope: Okay, minus the real losses, but then you do not mind if I add the impact of natural regeneration as well.

Mr. Sweeney: That depends on your cutting.

Hon. Mr. Pope: Exactly, but look at the forest management agreements and look at some of the specific cutting practices we apply under the forest management agreements.

We sent glossy maps around. I do not know if John has yours or not. Floyd has seen the sample township map in the Spruce River forest management agreement. In there you will see strip cutting areas, fruit cutting areas, the portage sites that are excluded. You will see those things are actually happening under the forest management agreement. The impact of that is going to be a substantial one in terms of natural regeneration.

Mr. Sweeney: You are talking of starting from scratch, literally starting over again. What about the devastated areas you now have to go back to and in some way try to regenerate?

Hon. Mr. Pope: Sure, and we do have programs for the treatment of crown lands. We have regeneration contracts. We have put out tree planting contracts. If Mr. Stokes were here, he could tell you the name of an individual who was successful in bidding on a tree planting contract. That goes out to individuals who—

Mr. Sweeney: Is that the place where Floyd wants the new nursery?

Mr. Laughren: No, that is Foleyet. There are all sorts of reasons for wanting something there. This is a different matter.

Mr. Williams: Mr. Chairman, I want to make a suggestion. I think we are a week into the estimates. We have not really proceeded to the first vote yet and I think a lot of these things will come up under the various votes. I think the minister's response to the opening statements is getting into details we normally deal with under the votes.

Mr. Sweeney: By the time we deal with all these interspersed questions, we will have covered practically everything we want to cover in the first place anyway.

Hon. Mr. Pope: I will do whatever the committee wants.

Mr. Williams: It seems to me we should start through the votes in an orderly way so the opposition will not be put in the position of finding it does not have time to deal with specific items in the estimates.

Mr. Chairman: I thought we were still on the minister's response to the opening statements.

8:40 p.m.

Mr. Williams: That's right, that is what I am saying. We are a week and a half into the estimates and we have not started on the first vote.

Mr. Laughren: I support the member for Orillia, which may cause him to have an apopleptic fit. I understand what he is saying.

Interjection: You ought to be worried about that.

Mr. Laughren: We are worried too about the estimates' time. Last year, we did not have an opportunity to debate either forestry or mining, strange as that may seem. In view of that, I would move that the order of the votes be changed so that after the minister's response, which I hope will be more disciplined than it has been in the past, he will direct himself specifically to the points raised by the critics and not ramble so much. We can debate forestry and mining and then proceed with the debate in the order of the estimates book. I would so move, seconded by my colleague the member for Algoma (Mr. Wildman). I think we are all better served if we do that. Does the minister have any objection to that?

Hon. Mr. Pope: I am not getting in the middle of this. You guys fight it out.

Mr. Williams: I think we are all agreed that we should get into the various votes. It seems me that the appropriate—

Mr. Laughren: You are parting company from John.

Mr. Williams: I should have quit while I was ahead.

I think the order of business is set out very clearly in the estimates book. It highlights all the main features of the estimates and I see no reason why we should vary from the votes and the items under them from the way they are set out in the estimates. With those in mind, we can all fairly share the time between us and ensure that Mr. Laughren and others will reach those votes that are of particular interest to them. I see no reason why that should not pass.

Mr. Wildman: I think we can all agree, or at least I hope we can, that the two votes of forestry and mining are the two most important votes in this ministry other than the main office. In terms of the importance to the economy of this province, those are two of the most important votes of any estimates in this Legislature.

What my colleague has suggested is new without precedent. A couple of years ago the member for Port Arthur (Mr. Foulds), who was then the critic for the Ministry of Natural Resources for our party, moved exactly the same motion. The minister's predecessor agreed with the motion as I recall, and it was generally agreed by all members of the committee that that was the best route to go.

On other occasions, we have found that the debates on the first two votes have taken so long that on one occasion we ended up with about 15 minutes to deal with the last two votes, which are the most important votes in this ministry. I am not downgrading the importance of the other votes either.

It seems to me we have two choices. We can either deal with these votes first and then move to the other votes in the order they are printed or we can string out the responses to the leader to such an extent, as I think the minister is prepared to do, that we end up dealing with forestry and mining under the present procedure and that is hardly disciplined.

I would hope we could have agreement to move this way and I would move the question.

Mr. J. A. Reed: This is my first time in the Natural Resources estimates and I am not conversant with what went on, but I do feel, as I am sure the minister does, that mining and forestry are key to Natural Resources. There

some of us who feel that mining is such a large section of Natural Resources that it should be a separate ministry. I happen to share that view with one of your colleagues, Mr. Minister.

Therefore, since in the last estimates mining and forestry were not given the share of time that they deserve, I support the motion made by Mr. Laughren and appeal to all members of the committee to be pragmatic enough in this situation to accept it. The simple fact is that the Ministry of Natural Resources is the largest ministry we have to deal with in the Legislature, and it would take a lifetime to examine properly each individual issue that comes up here.

For a sense of balance, I would ask every member of the committee to reconsider his or her position—including the minister. I do not have any objection to supporting that motion. I do not see why we cannot do it by unanimous consent.

Mr. Chairman: Do you have a comment on that?

Mr. Williams: There is no question that the ministry in large measure directs attention towards the activities in northern Ontario—the development of the raw resources, commerce and so on, in the far northern reaches of the province. This is part of the problem; we lose sight of the fact that the Ministry of Natural Resources is serving the whole of the province and that there are concerns in southern Ontario coming under the jurisdiction of the ministry that are just as important as forestry and land management. For that reason—

Mr. Wildman: Forestry and mining are more important to southern Ontario than most of the other votes that affect southern Ontario.

Mr. Williams: For that reason we should proceed in an orderly fashion and deal with the votes in the order in which they are set out in the estimates book. On that basis I would be opposed to the motion before us.

Mr. Wildman: What difference does it make in that order we do it?

Mr. Chairman: I do not think we are going to resolve this quickly by being provocative.

Mr. Wildman: We are going to lose it because the Tories are so hidebound they do not understand anything.

Mr. Chairman: There are a few others who wish to speak. You can go in order and perhaps arrive at some agreement on the amount of time you wish to spend on each vote. You can direct the chair that way. I do not sense a particular

disagreement among the committee with what anyone is saying.

We will carry on with the motion—Mr. Kolyn and then Ms. Fish.

Mr. Kolyn: I am interested in water resources, which come under vote 2502. I do not think it will take too long. I think we should follow the estimates book, so I will not be supporting the motion.

Ms. Fish: Further to your comments, Mr. Chairman, I was just wondering if there might not be a way that we can satisfy the concerns of committee members about how much time there remains in the estimates by getting some indication of the areas in which members are most interested.

It seems to me if we look at it from that perspective and gain some sense of it, then the order in which the actual discussion occurs is less important than the fact that an appropriate amount of time is reserved. It seems to me it would be reasonable in the discussion to gain some sense of the concerns that members have, and to make every effort in the course of discussion to be mindful of that as we are going through the votes in whatever order we happen to take them.

Perhaps we could begin by having some advice as to the amount of time remaining in the estimates.

Mr. Chairman: Approximately 12 hours. Perhaps the committee could do what has been suggested rather than debate this all night.

Mr. Williams: Can we get an indication from the opposition as to how many hours they want to spend on the two particular concerns they have?

8:50 p.m.

Hon. Mr. Pope: I was just going to suggest maybe we could lump off two separate sections of time, one eight-hour section on forestry and mining and everyone can do what he wants in that context, then the remaining four hours for the balance of the issues.

Mr. Williams: Provided we stay in the order the votes are set out.

Mr. Wildman: Agreed.

Mr. Laughren: As long as we stay in order; that is most important.

Mr. J. A. Reed: As I understand it then, that means we have four hours from now.

Mr. Laughren: That is after the minister has responded, not before.

Mr. J. A. Reed: To do the other votes, other than mining and forestry; is that correct? Is the way I read it correct?

Mr. Chairman: Just a second; can I get a little direction as to what these votes are? Would the minister just look?

Ms. Fish: While he is looking at that, you said we had about 12 hours left, but I had understood that when the question arose we were still on the minister's response to the critics' opening statements.

Mr. Chairman: I think you are right. I do not want to hear any technicalities. I do not want to get debating it. If you would give me an indication, then the chair can judge it.

Ms. Fish: I raise it only in that it seems to me two thirds for forestry and mining and one third for other issues is about the balance we are looking at. We need some sense from the minister as to whether he intends to carry on at great length, such that we would be significantly short of the remaining 12 hours, at which point we might want to reconsider that split.

Mr. Chairman: I sense we can do this without a resolution that is specific to the minute.

Ms. Fish: We just have to get some sense of what we are agreeing to as a committee in terms of the approach.

Mr. Chairman: Can you tell me the votes?

Mr. J. A. Reed: Vote 2504 will be the—

Mr. Wildman: We had the other situation one year where there were only 10 minutes left. It does not make any sense at all.

Mr. Chairman: Do I take from this you would like to do votes 2501, 2502, 2503, 2505 and 2506 in one third of the time and then you want to jump back to 2504 for the remaining?

Mr. Laughren: It has to be in order.

Mr. Williams: Surely we can keep it in order.

Mr. J. A. Reed: Keep it in order and as long as the chair will advise us when we are down to the last half-hour—

Mr. Laughren: The majority on this committee are Tories. If it is consistently in order, we will go along with that. We understand the reality of majority government on this side too. If you want to be a bunch of clowns, keep on.

Interjection: They do not want to lose their vote.

Mr. Laughren: Unbelievable.

Mr. Sweeney: We are wasting more time talking about what we are going to do—

Mr. Laughren: You are succeeding in your

filibuster, John, just keep it up. You are succeeding in what you set out to do.

Ms. Fish: The committee appears to be reaching a consensus I thought was well set by the minister a few minutes ago. There will be about two thirds of the time on forestry, mining and one third of the time on other issues. If you and the minister have been able to identify those votes that deal with forestry, mining, would it be such a problem as we go through to stand down those votes to deal with them in the available time—

Mr. Laughren: As long as they are in order.

Ms. Fish:—since it would be obvious to me that these estimates follow the course of any other estimates I have ever seen, that similar to that would flow over.

Mr. J. A. Reed: I do not think we even have to stand down because we are at vote 2504.

Mr. Laughren: You'd better not have declared by the majority.

Mr. Chairman: Vote 2505 is the last one. Laughren is insisting they be in order.

Mr. Laughren: That is right. The majority insists. I will go along with it.

Mr. Chairman: Can you give me an indication of how much time you want to spend on vote 2504?

Mr. Laughren: The majority has decided. When they are on this committee, as on every other committee, let them tell us. If that is the kind of game they are playing, let them go ahead. Some day you are going to realize that estimates debates serve the government as much as the opposition. You seem to think we are here for the convenience of the opposition. That is simply not true. That is a stupid viewpoint of the way the estimates work.

With your majority, estimates debates legalize a lot of stupid policies and you are not smart enough to understand that. That is the way to carry on with your majority government approach to it.

Mr. Chairman: Do I sense from your viewpoint that you wish to withdraw the motion and leave it to the chair?

Mr. Laughren: I put my motion and it should be dealt with.

Mr. Chairman: Will you give me the motion? I have no idea what it is.

Ms. Fish: I thought we had some reason for a consensus.

Mr. Chairman: I thought we did too, Ms. Fish, but have a motion put, I have a seconder, and if you wish to speak to the motion—

Mr. Laughren: You have your majority; go ahead and decide what you are going to do.

Mr. Chairman: I do not know what the motion was.

Mr. Laughren: It was not us who started this kind of debate.

Mr. Fish: I for one have thought, along with John and with Doug, we were trying to achieve a consensus across the three groups in terms of the direction we are going.

Mr. Laughren: Do not ask me to go along with your desires to run this committee exactly the way you want because you have a majority. Go ahead and do it. You are going to do it anyway, so do not ask me to be a part of it.

Mr. Williams: Mr. Chairman, I think Mr. Laughren is engaging in a tantrum here. He started off with a proposal that all members of the committee were prepared to examine. I think the main thrust of his motion was to provide reasonable time for different aspects of the estimates. It has been worked out on a consensus basis and then we get all kinds of amendments and slander that somehow we are neglecting the business of the committee.

Mr. Laughren: The Conservative members of the committee, so tell us what you want to do.

Mr. Williams: I do not think that kind of attitude deserves a response, so let's get on with the business.

Mr. Laughren: You are going to do what you want to do anyway.

Mr. J. A. Reed: I will move an amendment to the motion.

Mr. Chairman: Mr. J. A. Reed moves that the committee give priority time, say two thirds, to mining and forestry, that the estimates proceed in the order of votes, and that when the time has expired for the other votes, the chair will have an obligation to inform the members as the time is running out so there will be the eight hours the New Democratic Party feels is sufficient for the examination of forestry and mines.

Mr. Williams: That is a long amendment, John, but we agree.

Mr. J. A. Reed: I will reword the thing then if you want.

Mr. Williams: Two thirds to vote 2504.

Mr. J. A. Reed: Yes, and just carry on through the vote and leave it to the chair to advise us if we are running out of time.

Mr. Chairman: Do we agree on the motion as amended?

Motion agreed to.

Mr. Chairman: May I just ask one other thing since you are going to ask the chair to control it tonight. The only thing I need to know is how much time are you looking at on vote 2505? It is Junior Rangers, Experience '82 and the Leslie M. Frost Natural Resources Centre.

Mr. Williams: Whatever amount of time is available in that four hours after dealing with the first—

Mr. Chairman: With respect, Mr. Williams, I will not be able to tell that because it has now been amended and it will be an order.

Mr. J. A. Reed: When we get halfway through the other votes, I wonder if it would be in order for the chair to advise us as to how much time we have left so that we know we have an obligation to get through that 2505 vote, as well as 2501, 2502 and 2503. It sounds simple.

Mr. Chairman: The chair will bear that in mind and advise members accordingly as we get to the votes. Would the minister like to carry on with his remarks?

Hon. Mr. Pope: I have some other comments but perhaps I shall just leave it and get into the votes.

Mr. Laughren: On a point of order, Mr. Chairman: It seems to me there are a lot of unanswered questions concerning the leadoffs. The least the minister could do would be to respond to the matters raised in the leadoffs. What kind of game are we playing here?

Hon. Mr. Pope: That's fine, if you want me to do that. You just keep rambling. Make up your mind.

Mr. Laughren: That is exactly what I want you to do. That was agreed upon at the beginning.

Mr. Chairman: Do you have anything specific?

Mr. Laughren: I have lots of things.

Hon. Mr. Pope: We make time for him and now he is upset about that. You are unbelievable.

Mr. Laughren: If you do not want this, you can vote against it.

Ms. Fish: You want one thing and then you

turn around and say you do not want that any more.

Mr. Laughren: Susan, you can have it your own way. Just put it in the form of a motion.

Ms. Fish: Not our way, Floyd. Why do you not try to listen? You said "black" and then five minutes later "white." We are trying to accommodate the approach that is sensible for what people want discussed in the committee.

Mr. Laughren: It was agreed that after the minister responded to the leadoffs, that would be the case and you know that, so stop playing games too.

Mr. Chairman: Does the minister wish to respond?

9 p.m.

Hon. Mr. Pope: Yes. One of the points raised was with respect to regeneration. I have indicated the response in terms of the millions of trees planted through our reforestation programs. We are planting a bare-root and containerized stock. There is, however, a distinction in terms of acreages in harvesting and regeneration because the replanting intensity per acre of the bare-root and container stock is greater than the density of harvested trees.

Mr. Laughren: On a point of order, Mr. Chairman: That was not the question that was raised. The question had to do with costs, and we do not need an end run around the central question, which was cost. It was very direct and very simply put, and I do not know why the minister is not dealing with it.

Hon. Mr. Pope: I am, if you will give me a minute.

Mr. Laughren: No, you are not dealing with it at all.

Hon. Mr. Pope: Okay, then, I will not deal with it.

Mr. Laughren: Well, you said you would. You are talking about acreage; we are talking about the costs of regeneration. I want you to deal with that.

Hon. Mr. Pope: If you do not understand that acreage under intensive or extensive regeneration has an impact on your road access costs and that this is a major portion of the costs in the forest management agreement, I do not know what you have been doing for the last year.

Mr. Laughren: Let me put it in a little simpler way for the minister, Mr. Chairman. The point I raised was that the cost of regeneration had been escalating far out of proportion to the trees

being planted or the acreage, and I gave him figures from his own ministry showing what the costs of regeneration were in the last four years and what the projections were for the next three years.

I asked him to comment on those costs, to tell us what the cost of regeneration would be in 1985, to separate out the components of cost for the regeneration so we would have a clear picture of what was entailed in those costs and finally, where the money was going to come from if the figure of \$200 million is correct.

We are not talking acreages. You can give all sorts of mumbo-jumbo if you like, but what we are really talking about is the costs of regeneration both now and in the years to come when we have signed up to 30 forest management agreements. That is what we are talking about.

Hon. Mr. Pope: You do not think that has anything to do with the location of the regenerated areas?

Mr. Laughren: Oh, come on, you are silly.

Hon. Mr. Pope: I am not being silly.

Mr. Laughren: Go ahead. Develop it in your own way.

Hon. Mr. Pope: What I was trying to indicate was that the intensive regeneration areas, where scarification, planting and seeding are going on, account for 183,290 acres of crown land. You have the extensive regeneration areas, where different cutting systems are in place, including strip cutting and a limitation on clear cutting which is being put in place for a lot of FMAs and a lot of other licensed areas, and a tree marking system. That is 160,323 acres. Then you have the natural regeneration areas, which account for 141,634 acres.

What we are trying to do is bring more of the natural into the extensive, and more of the extensive and natural into the intensive. That is the effort that is being made through the forest management agreements and through the direct costing programs of the Ministry of Natural Resources in reforestation on crown lands.

When you bring more acreages into intensive regeneration activity you have to provide road access into that area. The costs of that access are quite substantial, so a sizeable proportion of the forest management agreement costs both now and in the future are projected to relate to the cost of constructing those access roads. Under the forest management agreement and under existing systems, those costs are borne

the government in accordance with certain agreed-upon cost ratios.

That is what the member for Nickel Belt was referring to in his initial comments: the fact that millions of dollars are going to be spent now and throughout the projected five-year funding cycle under the Board of Industrial Leadership and Development program for forest management agreements, and on into the future with respect to road construction as well as the actual logging or planting activities and the scarification activities.

They are all detailed in the forest management agreements that the ministry enters into with various companies. The effects of inflation are there. There is a procedure for review in each five-year operating plan cycle for the costs. There is a calculation of the inflationary impact during the five years; it is made by the Treasurer (Mr. F. S. Miller). Then there will be a decision made by the minister as to what proportion of these inflationary costs is going to be borne by the Ministry of Natural Resources in the next five-year funding cycle and what proportion is going to be borne by the company in the context of the forest management agreement.

That is why the impact of inflation is not necessarily going to be completely borne by the government and in the future there could be some off-loading of those inflationary costs onto the private sector. The actual system is set out in the context of the forest management agreements.

The actual expenditure estimates which you quoted in your opening comments are expressed in 1981 dollars, not in inflated dollars. Just to review them again: During 1982-83, it is \$26.4 million; 1983-84, \$42 million; 1984-85, \$60.7 million; 1985-86, \$82.5 million; 1986-87, \$102.9 million.

Mr. Wildman: That is constant dollars?

Hon. Mr. Pope: That is constant 1981 dollars. I think you had thought they were inflationary dollars or current dollars during all the years you were doing your estimates. I just wanted to pull all of that into the context of a reply to your answer.

That presumes that the forest management agreements come on stream as the schedule predicts they will and that, in fact, there would be 30 in place in 1985 and, therefore, the impact of the entire 30 would be felt initially during the 1986-87 financial year. That is where you get the \$2.9 million. At that point, the 30 forest management agreements are projected to be on schedule or all in place and you are looking at

\$102.9 million a year in 1981 dollars. Coincidentally, at that same time you are starting to get a recalculation of who is going to bear the inflationary costs.

I think it is a very expensive program that the government and the Board of Industrial Leadership and Development committee of cabinet has committed itself to. We are hopeful that with the number of private greenhouse operators that are involved we can substantially increase the production level of our containerized stock and we can, as I said earlier, eat into the natural and extensive areas.

At the same time, in order to reduce costs to the extent possible, we also have to look at the utilization, which is another issue you raised in your original comments. We also have to look at using a wider variety of species in the different licensed areas. Traditionally that has been done through third-party agreements. Traditionally it has been done through an exchange of product that shipped tree-length timber.

We are hopeful that in every area of the province where we have substantial hardwood surpluses and poplar surpluses we are going to have plants in place in those communities that will utilize that product, so it will not be shipped to distant processing plants or waferboard plants. Certainly with the new mill which has opened in Englehart, the Grant waferboard mill, the Malette waferboard mill in Timmins and the work that is going on in terms of a potential for a plant using hardwood and poplar in northwestern Ontario, be it for particle board or medium-density fibreboard or waferboard, there can be a greater use.

One of the things that affect an area that has fallen into natural regeneration is the fact there have been stands of mature poplar and other hardwood species that have been left there because the conifers were the preferred type for the dressed lumber mills. We have to find some way of getting in there and harvesting that mature and overmature poplar and making some use of that product.

As long as there are poplar-stand configurations in some of these cutting areas, it is very difficult to get in and do the intensive regeneration work that we would like to see done.

I probably have not answered all of your questions with respect to costs in my reply. I think those were the numbers you had quoted in your initial statement.

9:10 p.m.

Mr. Laughren: Could I ask for a clarification? The figures I had were that by 1985 the regener-

ation costs would be \$200 million. I do not know what to compare that to this year. I look at the figures from the ministry on what regeneration costs are and the only one I have numbers for is \$102 million in 1980-81.

If I followed the minister correctly, that would obviously be in 1980-81 dollars because it is for the year 1980-81, and he is talking about 1985 being in 1981 dollars, to use a constant figure. Is he telling me that by 1985 the costs for regeneration—or am I telling him—will be \$200 million in 1981 figures or in 1985 figures? I thought that was 1985 dollars.

Would it be \$200 million a year in 1985 in 1981 dollars, which would imply close to \$300 million a year in 1985 dollars? That is the one question that is still not answered.

Can I compare the \$200 million a year regeneration cost for 1985 with the \$102 million a year in 1980-81? The second part of the question is, where is that money coming from?

Hon. Mr. Pope: It is coming from the Board of Industrial Leadership and Development and from the provincial Treasury.

Mr. Laughren: The \$200 million?

Hon. Mr. Pope: The difference between the two sets of figures is that the set of figures I read out from 1982-83 through 1986-87 relates to the forest management agreement areas only.

Mr. Laughren: Say again.

Hon. Mr. Pope: Sorry. The set of figures I read out, starting in 1982-83 with \$26.4 million and proceeding on through 1986-87, is for FMA areas, which is just part of our regeneration program.

Mr. Laughren: Okay. But I am talking total cost of regeneration for forestry in Ontario in the following years. That is what I am talking about. I am not talking about the fact there are only eight FMAs signed now and there will be 30 in 1985 if things work out the way you want them to.

The figures I have are that in 1980-81 the cost of regeneration is \$102.63 million. No, I am sorry, I have the wrong figure. I am reading the table wrongly.

What I am trying to get at is, if the figure of \$200 million a year for 1985, which comes from within your ministry, is correct, then what am I comparing that to? I do not understand. When I asked the ministry people what the regeneration costs will be by 1985 when you have all those FMAs signed, they said, "Two hundred million dollars a year." I said, "Where are you going to

get that money?" They said, "That is not up to us, that is up to the Legislature."

Hon. Mr. Pope: You know the allocation system.

Mr. Laughren: Are those figures fair?

Hon. Mr. Pope: I think you are talking about total forest management funding for the year 1981-82, which is \$100,700,000. I can give you a breakdown. Our regular programs are \$79.6 million, the BILD program in 1981-82 is \$14.5 million and the DREE program was \$6.6 million.

Mr. Laughren: Could I try again? It is probably my fault. I am not blaming the minister for this breakdown in communications here.

What I am trying to find is the total regeneration cost. I do not give a hoot, and neither does the taxpayer in Ontario, whether it comes partly through BILD or partly through the consolidated revenue fund. It is all from the same package, all the same money. We all agree to that.

All I am asking for is the total regeneration costs to the Ontario taxpayer by 1985. I do not care which pocket you take it from.

Hon. Mr. Pope: If you are asking how many additional dollars we will be spending on silviculture by the end of the next five years, the information I have is that we will be spending an additional \$50 million a year for silviculture at the end of the next five years over what we are now spending—

Mr. Laughren: Silviculture is only part of regeneration.

Hon. Mr. Pope: —and another \$50 million a year for access over what we are now spending.

Mr. Laughren: Does that include spraying?

Hon. Mr. Pope: Yes, that is involved in silvicultural treatments.

Mr. Laughren: And it includes all the nursery stock?

Hon. Mr. Pope: Yes.

Mr. Laughren: And includes the access roads. So you are saying by 1985 it will be \$100 million more than it is now.

Hon. Mr. Pope: Yes.

Mr. Laughren: Are there any costs left out of that?

Hon. Mr. Pope: No. It accelerates through. I can give you the yearly figures to bring you up to date on it. I think you have quoted from them already: 1981-82—that is broken down, but it comes out to \$100.7 million; 1982-83—total

NR expenditures, \$130.9 million; 1983-84, \$56.5 million; 1984-85, \$180.2 million; and 1985-86, \$201.2 million. I think those are approximately the numbers you had earlier and they involve direct crown lands programs, and the MA program composition.

Mr. Laughren: That is basically double what it is now?

Hon. Mr. Pope: Yes.

Mr. Laughren: And those are constant 1981 figures?

Hon. Mr. Pope: Yes.

Mr. Laughren: So that's at least \$250 million. I would think. You must be sweating bullets about where you are going to get that money.

Hon. Mr. Pope: No. I have managed to be innovative.

Mr. Laughren: You haven't reached 1984-85 yet. Is 9.1 million cunits still the goal for cutting in 1985?

Hon. Mr. Pope: Yes, it's the goal.

Mr. Laughren: Do you think you will reach it?

Hon. Mr. Pope: I don't think there has been much movement towards it.

Mr. Laughren: We probably won't reach it. Where are we now, six?

Hon. Mr. Pope: It is like all other targets. Sometimes you reach them, sometimes you can't.

Mr. Laughren: And there are such things as moving targets.

Hon. Mr. Pope: It is between six and seven now.

Mr. Laughren: Have you revised the target?

Hon. Mr. Pope: No, I have not.

Mr. Laughren: So it is still 9.1?

Mr. Wildman: Like the balanced-budget target that keeps moving farther ahead.

Hon. Mr. Pope: It is like the two-for-one target. We should reach it by 1984-85.

Mr. Williams: Has the minister finished his response to the opening statements, Mr. Chairman?

Mr. Sweeney: Still on that same question, the minister in his answer referred—

Mr. Laughren: Put it in the form of a motion, John.

Interjection: We are actually debating forestry aspects.

Mr. Williams: I think that's the problem. I think we need less latitude for questions of

clarification from Mr. Laughren. He is starting to abuse the privileges.

Mr. Sweeney: I thought you said supplementary processing plants scattered throughout the area rather than shipping them a great distance.

Hon. Mr. Pope: Yes.

Mr. Sweeney: About a week and a half ago, I was up at Great Lakes and I got the clear impression there—I was up for another matter on this employment business—they were going to have to cut back, if not close down, one of their board plants, waferboard or fibreboard or something. I can't remember what it was. Now, are we saying we are going to set these other ones up in place of what already exists or in addition to what already exists?

Hon. Mr. Pope: No, they are in addition. All the information we have is that the market for waferboard, particle board and medium density fibreboard is increasing. Quite frankly, that is one sector of the industry that has not felt any impact in terms of market demand. The waferboard plant operators I know have indicated to me that they have had no trouble placing their orders, and there has been a 10 per cent increase in the price of waferboard in the last month. So I don't know what Great Lakes' immediate marketing problems are.

Mr. Sweeney: I will have to go back and doublecheck that.

Hon. Mr. Pope: By the way, the inflation adjustments under forest management agreements are in paragraphs 22(2) and 31(5), if you want to have a look at them.

Mr. Laughren: What was that?

Hon. Mr. Pope: Paragraphs 22(2) and 31(5) on forest management agreements deal with the calculations of the inflation and decisions that have to be made.

Mr. Laughren: Can I ask the minister, while he is responding to the leadoff remarks, whether or not he is spraying Tordon 101 or Tordon NK anywhere in Ontario this year and to what extent—

Mr. Williams: On a point of order, Mr. Chairman: I think Mr. Laughren is testing our patience here this evening. I think we have been more than accommodating to Mr. Laughren, and I think we should get on with vote 2501 as soon as the minister has concluded his response to the opening statements without benefit of interruptions and questions the members are

normally able to ask during the votes under the estimates.

9:20 p.m.

Mr. Wildman: Mr. Chairman, on the point of order, I think during our earlier debate I pointed out that we really had a choice between dealing with the most important votes in a different order with an allocation of time or dealing with those particular issues that are of utmost importance in this ministry. During the minister's response, it appears that because of the decisions taken earlier we are now taking the second option.

Mr. J. A. Reed: Speaking to the point of order, Mr. Chairman, I would respectfully ask the chair to discipline this committee a little more thoroughly to allow the minister to finish his statement, when questions clearly become out of order as they are in this case. It is obvious we have now allocated, by motion, two thirds of our time to forestry and mining, and each one of those questions is appropriate in that period.

Mr. Laughren: The minister is responding to leadoffs.

Mr. Williams: The member is making a mockery of the procedure—

Mr. J. A. Reed: The minister is responding to the leadoff statements, and the minister in truth should be allowed to complete his statement. If we want to run fast and loose, then let the chair give all of us equal time so that the Socialists don't cop all of the next four hours responding to the minister's opening statement.

Mr. Laughren: Not a chance.

Mr. Williams: The interruptions are getting worse.

The Acting Chairman (Mr. Andrewes): I will take Mr. Reed's comments under advisement and ask the minister to carry on responding—

Mr. Laughren: Yes. Tell us about spraying.

Hon. Mr. Pope: If that was so important to you, why didn't you address it in your own—

Mr. Laughren: I am asking you.

The Acting Chairman: At the appropriate time, Mr. Laughren, maybe you could ask the minister that question.

Mr. Laughren: Just to refresh the minister's memory—

The Acting Chairman: No. We are going to ask the minister to carry on with his response.

Mr. Laughren: That is what I am going to do. He seems to be lost up there.

The Acting Chairman: I don't think he is lost at all.

Mr. Laughren: In the leadoffs there were questions asked about hiring and firing practices, about the wetlands, about mining. The minister hasn't responded to any of those questions.

The Acting Chairman: I am not sure you have given him that opportunity.

Mr. Williams: He has the opportunity during the estimates.

Hon. Mr. Pope: Do you mind if I refer to notes and go through the questions as you raise them, or would you rather do the answers for me as well?

Mr. Laughren: I could give you the answer that should apply to Ontario.

Hon. Mr. Pope: That is what scares everybody.

The Acting Chairman: Would the minister please carry on.

Hon. Mr. Pope: The wetlands policy paper was put out for public comment. We received about 450 replies. The reason there is no final policy statement at this time with respect to wetlands is because I am still reading the replies.

Mr. Laughren: Oh, come on.

Hon. Mr. Pope: Since you don't accept that you probably won't accept my other answers.

Mr. Laughren: Lay them on me and I will see.

Hon. Mr. Pope: I don't think I have any more comments. We can deal with other points in the estimates.

Mr. Laughren: You mean you are not going to respond to the questions that were raised on your hiring and firing practices or mining, none of those?

Hon. Mr. Pope: You don't want to hear the replies.

Mr. Laughren: Who do you think you are here to serve?

Mr. Williams: I think we can deal with them during the votes very effectively, Mr. Chairman.

Mr. Laughren: What is the sense of us doing any work as opposition parties on leadoffs to try to have a say in what we think, though you may not, are constructive alternatives or suggestions? The minister sits up there in his infinite wisdom and says: "I am not going to reply to your questions. I don't like your attitude." That is what he is saying.

The Acting Chairman: The minister was in the midst of responding and was interrupted.

Hon. Mr. Pope: You don't want me to reply. You have been trying to block my response. I never said a word during your comments. You have been doing nothing but badgering, posing questions and trying to disrupt—

Mr. Williams: That's their style, abuse.

Hon. Mr. Pope: Have fun. Be my guest.

The Acting Chairman: Could we, in the next 15 minutes, finish the minister's response—

Mr. Laughren: You are running this committee the way you want to.

Ms. Fish: Get lost. You are constantly heckling.

The Acting Chairman: Order.

Mr. Laughren: Between the Conservative majority on the committee and the minister, you are managing to run this committee exactly the way you want to.

Interjection.

The Acting Chairman: Ms. Fish, I have suggested that the minister could wind up his comments in the next 15 minutes, without interruptions, and then we could proceed to take the first vote. Is that fair enough? Is that greed?

Mr. Williams: That is in keeping with Mr. Reed's motion that was carried about half an hour ago.

Hon. Mr. Pope: I think the Quetico Provincial Park master plan was an issue raised by Mr. Laughren—or was it Mr. Reed? The parks council was involved in the Quetico park review and has submitted a fairly exhaustive document to me. Also, it has held a lot of meetings in northwestern Ontario and with some provincial interest groups with respect to that park.

I have met with the parks council since it completed that review for me. We have had a number of discussions. It made 15 or 16 recommendations in its report, to which we have replied. The reply and the policy statement with respect to Quetico Provincial Park—the master plan review, 1982—is going to be available at the conclusion of the land-use planning processes. In the meantime, the Quetico park issue is something on which we are accepting public comment at open houses in northwestern Ontario.

The parks council has been very helpful in travelling to different communities throughout Ontario and getting some general points of view from the public. It has had public meetings

which were advertised. It has been getting general points of view with respect to our parks policies and some problems which campers and visitors have in our provincial parks, and has been following through with recommendations to me.

It has also been doing special projects at my request, including a couple of special projects in the Windsor area to analyse what additional facilities we could utilize in the parks system to provide for additional recreational opportunities. So the council has not been inactive by any means. We have met on a regular basis, and it has been quite helpful to me in formulating additional policies.

The question of the hiring practices of the ministry was raised by Mr. Laughren. I am not sure what class of employee he is referring to. To deal with the Junior Ranger program first, there are 1,738 positions available in the program this year—that is the same as last year—and some additional costs. The system we have in place does not involve me; my ministry staff review all applications. In those positions there are still one or two spots available for young ladies to become forest rangers. Out of all the male applicants for Junior Rangers this summer, only 52 could not be accommodated.

Experience '82 positions are also handled by the same office. I have no idea who is hired and who is not. You have given written referrals to the district manager, Mr. Laughren, with respect to forest technicians.

Mr. Laughren: No, none—absolutely none.

Hon. Mr. Pope: You certainly have. I will read your letter.

Mr. Laughren: Absolutely none.

Hon. Mr. Pope: Okay, I will read your letter.

Mr. Laughren: On a point of privilege, Mr. Chairman: The minister has attempted to play a bit of a game here with the political referral jobs for summer employment. The minister knows very well that those are political jobs forwarded through the district managers to head office. That is clear in the telex which states what it is. They are not supposed to hire anybody for a certain number of jobs without their being referred. I have seen the telex. I know exactly what it means.

Hon. Mr. Pope: For summer jobs.

Mr. Laughren: That is right, summer jobs. That is what we are talking about. Why are you laughing? Do you think it is not important for

young people in the province to have a summer job?

Hon. Mr. Pope: Yes, I do.

Mr. Laughren: You seem to think that is not an important job.

9:30 p.m.

Hon. Mr. Pope: And you seem to think that I sit there with a membership list from a political party and go through every single person who applies.

Mr. Laughren: I never said that.

Hon. Mr. Pope: It certainly is what you are implying, and it is what your cronies are implying up north and down south.

Mr. Laughren: I do think that has a bearing on it, yes.

Hon. Mr. Pope: I am sure you would. With your mind, I am sure you would.

Mr. Laughren: What I object to—

The Acting Chairman: Order.

Hon. Mr. Pope: That is the sickest you have ever been.

Mr. Laughren: You are very sensitive and defensive about it, aren't you?

The Acting Chairman: I fail to see where your privileges have been abused.

Mr. Laughren: Could I get away from the minister and talk directly to you, Mr. Chairman, about the point of privilege?

The Acting Chairman: Yes.

Mr. Laughren: The minister implied that I had used his political referral system as though I should not use it—

Hon. Mr. Pope: Just your own.

Mr. Laughren: —because it is his and I am an opposition member. Second, I have never ever used the political referral system to recommend anybody for a job. People have written to me and said: "Don't you think there is something phoney going on when I have the qualifications for a job, the district managers want to hire me and they are not being allowed to hire me? Why am I not able to get this job?" Then, as when any constituent writes to me, whether it is a problem on housing or anything else concerning the provincial government, I pass on that concern to the ministry involved. For the minister to imply that I am using his precious little political referral system is simply unfair.

Hon. Mr. Pope: Firstly, you don't know what you are talking about. Second, you have tried

deliberately to mislead this committee, and I will say that right now.

Mr. Laughren: Mr. Chairman, are you going to allow that?

The Acting Chairman: Allow what?

An hon. member: The word "mislead."

The Acting Chairman: I think we are going nowhere in this whole discussion.

Mr. Laughren: That is not the point. Are you going to allow the minister to say that?

The Acting Chairman: I ask the minister if he would withdraw.

Hon. Mr. Pope: Relax. I withdraw it.

Mr. Laughren: Yes, it is not true.

Hon. Mr. Pope: What is not true?

Mr. Laughren: What you said. It is not true. It is an untruth.

Hon. Mr. Pope: You are entitled to your opinion. I think we had better end this discussion right now.

The Acting Chairman: I do too.

Hon. Mr. Pope: I think what you have just said and what you have tried to imply to the people of Ontario is just short of despicable. I will tell you why.

Mr. Laughren: Yes. It is your political system. That is why.

Hon. Mr. Pope: I will tell you why. First, I have nothing to do with it. I am just like you, my friend. When a constituent writes in to me with respect to a summer job, I refer it to the ministry that is involved.

Mr. Laughren: There is a big difference when the minister refers it.

Hon. Mr. Pope: There is, is there? How about if you prove that somehow it is different.

Mr. Laughren: It depends who is the minister.

Hon. Mr. Pope: So? Prove it is different.

Mr. Laughren: If I were the Minister of Natural Resources, I would not say to my district manager, "You hire this person."

Hon. Mr. Pope: How about if you prove that somehow it is different? If you cannot, then maybe you should not talk about it.

Mr. Laughren: Why are so many referrals from the Timmins area?

Hon. Mr. Pope: How many referrals were there from the Timmins area? How many?

Mr. Laughren: More than in most districts. You should table the figures from all the districts.

Hon. Mr. Pope: No. You know; you obviously know. You said there were more referrals from the Timmins area. You tell me, since you obviously know.

Mr. Laughren: No, no.

Hon. Mr. Pope: Because you do not know what you are talking about.

Mr. Laughren: The ministry people told me there were more from the Timmins area but they did not give me the numbers. You table them.

Hon. Mr. Pope: How many?

Mr. Laughren: If I am wrong, you table them.

Hon. Mr. Pope: How many? You are the one running around saying that everyone from Timmins is getting jobs. Tell me how many?

Mr. Laughren: Don't try to avoid the responsibility. You are the minister.

Hon. Mr. Pope: I see. You can go out and make a statement and have no factual basis for it?

Mr. Laughren: Right. And if you disagree with it, table the figures.

Hon. Mr. Pope: That is typical of you. That is how you operate.

Mr. Williams: Mr. Chairman, on a point of order: I believe all this discussion comes under vote 2505. Could we proceed to vote 2501, assuming the minister has completed his opening responses?

The Acting Chairman: Are you finished on this matter?

Hon. Mr. Pope: There is no point in discussing it with him. I just want to tell the other members of the committee that with respect to my own riding—

Mr. Laughren: I am listening.

Hon. Mr. Pope: I am not talking to you.

Mr. Laughren: I know, but I am listening.

Hon. Mr. Pope: With respect to other ridings, we do not have a reference system where kids names are checked out against a list. We have never done it. It has never been done in this ministry with its long tradition.

I know for a fact that I support the applications of kids from my riding who apply, whether they come from NDP families or Liberal families. I try to do what I can as the member of that constituent. If you don't think I should be doing that, that is tough luck for you, buddy, because I am going to keep on doing it.

Mr. Laughren: I don't doubt that for a minute. You will carry on the way you always have.

Hon. Mr. Pope: And you can make all the slanderous comments you want. You can spread all the rumours you want. Your henchmen in Sudbury tell everyone that southern Ontario people using this system are getting jobs. Your same henchmen down here are saying everyone from northern Ontario is getting the jobs. Why do you not be honest for a change?

Mr. Laughren: Who are these henchmen?

Mr. Chairman: I think we have resolved that item. Mr. Reed has the floor.

Mr. J. A. Reed: The official opposition is still very much here. We are trying to contain ourselves and be gentlemanly in this discourse. It seems to me more time has been wasted wrangling and harassing the minister.

When there is legitimate harassment and it is for a purpose and is based on something sound, I am all for it. I will be the first to participate in it if I have some facts that are worthy of bringing to the attention of this committee.

Mr. Laughren: Has the minister finished his response?

Hon. Mr. Reed: Yes.

Mr. Chairman: Yes. Mr. Reed has the floor.

On vote 2501, ministry administration program:

Mr. J. A. Reed: Under vote 2501, item 6, systems development services activity, I am interested to see an expenditure increase of almost 10 times for 1981-82 actual; as a matter of fact, it is more than that in terms of estimates and more than that in terms of what actually happened in 1980-81. What has happened with the remarkable expansion of systems development services?

Mr. Williams: Were there any comments under the first five items?

Mr. J. A. Reed: At this point, no; I had no comments prior to item 6.

Hon. Mr. Pope: I think there is a consolidation of some of our computer systems and communication systems under this. That is responsible for the bulk of it.

Mr. J. A. Reed: In other words, if you talk about systems development services and if you are computerizing, are you replacing personnel with those computers, or is it just an added expense to your ministry?

Hon. Mr. Pope: Obviously, some of it is a consolidation of personnel, but I would say the

majority of it is additional expenditure. Quite frankly, some of the reason for it has been the acceleration of some of our planning programs, including land use planning. I think you will see supplies and equipment, for instance, of \$14,000 in the 1981-82 estimates ended with an actual of \$68,747 in 1981-82. This gives you an indication of the addition of a lot of equipment.

Mr. J. A. Reed: Presumably all this is going to serve a high end purpose and streamline the ministry to make it more efficient etc. How will we see that reflected in the field? It is a remarkable increase.

Hon. Mr. Pope: Yes, and staffing person-years in your book on page 13 indicates an increase from nine to 23 people. One of our problems is the impact of some of the decentralization and the need to try to get information systems in place to accumulate some of the decisions that are made and some of the documentation in the field that we did not previously have.

You are probably not aware, but our filing system is virtually decentralized completely into the district offices. That has been a problem in terms of retrieval of information, both by head office and by myself.

Mr. J. A. Reed: They don't communicate too well?

Hon. Mr. Pope: They have their office system set up and we have to try to have some communications input into it.

Mr. J. A. Reed: Am I allowed to go on or are we going to—

Hon. Mr. Pope: Sure, it does not matter.

Mr. Chairman: I have no objection if you want to deal with vote 2501.

Mr. J. A. Reed: Can we deal with vote 2501 as a block?

Mr. Chairman: Does anybody object if we do it that way?

Mr. Laughren: I am sorry. I did not follow that.

Mr. J. A. Reed: If we are dealing with vote 2501 as a block, then I will go on. If we are dealing with it item by item, perhaps somebody else has something to say about that one area. I am quite happy to go on and complete vote 2501 as far as I am concerned, and then let the next person go on.

Mr. Chairman: I have no objection.

9:40 p.m.

Mr. J. A. Reed: In terms of legal services, I have always been curious to know why the mandate of your ministry was such that you did not consider your bureaucracy to be of service to the public of Ontario but, rather, only of service to yourselves. This is a problem that probably has not surfaced that much in the past but is surfacing more and more and will surface in the next few years as the interaction between government and private citizens increases at the Ministry of Natural Resources. I can tell you that what you have is an adversarial system in place within the ministry.

When a private citizen or a group of private citizens attempts to deal or rationalize a particular situation with the ministry, it finds itself at a distinct disadvantage because the legal services you do provide, you provide only to yourselves. In fact, you are the repository of perhaps most of the water law, for instance, that exists in Ontario. It is very difficult to find a private practising lawyer at a reasonable price who knows as much about water law as even I do as a layman. I have learned it because I happen to have had some very personal experience with the nuances of the Lakes and Rivers Improvement Act and so on.

What I have found in my own experience is that your legal people are certainly bound to take the part of the ministry, but they are in no way bound to be of service to the citizen. That may be a nuance, but it is kind of fundamental throughout your whole ministry.

What are your ministry people, including your legal people, mandated to do? I can tell you that some of your staff practising in the field in their sincere desire to help citizens to resolve various MNR problems have found themselves at odds with other members of the ministry who will tell those people: "Look, it is not your job to help the citizen. It is your job to serve the ministry, to serve the legislation and the rule, and to apply the regulations as written." That really reflects on the mandate your ministry people feel they have, or have not, to operate.

It has manifested itself in my own personal experience through the legal department. It was not because the people in your legal department are not capable; they are very capable in many ways. But the fact is that they were bound not to present the facts to the citizen but simply to advise their own people internally; so it is still an adversarial situation.

What it tends to do is remove or keep apart the spirit of co-operation and interaction that is going to be more and more necessary as we go

rough the next decade or two, especially in natural resources, when we recognize that a lot of the development that will take place, resource development particularly, is a two-way partnership between government, under the jurisdiction of MNR and the private citizen.

I say that to you in terms of legal services. It is important. It applies across the broad base of your ministry. What is the mandate of your people? What do they carry with them when they go into the field? Is it an "us-and-them" situation or is it one where we work together, we cooperate, we innovate and create together?

I probably have told this story before about a initial telephone conversation I had with a particular ministry official some years ago. I had applied to the ministry to send me plans to build a shway on my own property. I was sent a great envelope containing forms nearly half an inch thick, in quintuplicate, which were to be filled in for repair of civil works. I was sent various excerpts from the Lakes and Rivers Improvement Act. I was sent a whole lot of stuff that did not apply to my simple request for plans to build a shway, which I intended to build on my own hook, at my own expense.

I wanted some expertise. I am used to doing that, because I am a graduate of the Ontario Agricultural College and the farm service proves that kind of information. When you go to the agricultural representative's office and say, "Look, I need some plans to help build a shway" or something else, you get the information you need.

That is the spirit in which I approached the minister. I phoned this individual the following Monday and said, "Look, I have no plans to build a dam." His response was, "Oh, that is good." I said, "The dam is already in place." He said, "Oh, that is bad." I said, "But I hold an occupied water privilege." He said, "Well, maybe we can take it away from you."

That was the beginning, about seven years ago, of a very motley sort of relationship with the Ministry of Natural Resources. I am telling that to the minister because those answers were given from an honest position taken by that ministry official. Certainly he did not feel mandated to say, "Maybe we can help," but to say, "Look, this is where we are, that is where you are buddy, and it is up to you to claw your way out where you want to go, because we are not going to tell you anything."

I have spent more time on this than I should have done, but I think it applies to the whole administration, to all of your officials. Perhaps I

tended to interpret improperly what your ministry did at that time because I saw them in the same light as the Ministry of Agriculture and Food officials. There, if you need information or some help, you can go to the ag rep's office and say, "Look, what can I do to fix up my corn crop? I have got to do so-and-so," and you will get the information as it is available.

Mr. Williams: That is seven years out of date. Phone them today and see what happens.

Mr. J. A. Reed: Believe me, I shall. I will give you the answer before the end of the estimates.

Hon. Mr. Pope: I believe that in the vast majority of cases of people asking for assistance we have the attitude that we want to do what we can to help. It is not a case of "us" and "them." We try to accommodate everyone who writes to us with requests.

Sometimes conflicts arise with respect to our guidelines. The people out in the field have to interpret and apply the guidelines, and often they do not fit the immediate circumstance: perhaps the situation has changed and the guidelines might not have been updated at the time we are asked to provide assistance.

If that kind of impasse develops I, as the minister responsible, or some supervisory staff, can try to develop a more positive response. There is no doubt, however, depending on which act is involved and what is requested, that there could be an adversarial position taken if what is requested flies in the face of ministry policy.

In some instances it is just a matter of our legal people being involved, in a service way, in preparing deeds and orders in council under the Public Lands Act to give land use permits, to resolve the 66-foot road allowance problem between the cottage lot and the lake, developing the cutting permits under the Crown Timber Act, issuing legal documents with respect to patented and unpatented claims and so on.

In a lot of those instances the lawyers are involved in doing the service work for the client group that is requesting the service. But there is also no doubt that in some circumstances, depending on the act and the policy in place, there could be an adversarial position. I would hope that would be minimized to the few situations where it is warranted under the law, but it does sometimes happen that one does not get satisfaction from something that really does not warrant a confrontation attitude. All we can do is try to improve on our performance and amend the policies if they need amending. That

is something that, really, the people in the field, or even the lawyers, are not responsible for; that is something we in head office policy branch and the minister have to be responsible for.

9:50 p.m.

Mr. J. A. Reed: Initially, I think the element of concern in that particular experience was that when the legal position was sent to me, when excerpts were sent of the Lakes and Rivers Improvement Act, they did not include other parts of the Lakes and Rivers Improvement Act that actually provide protection for the owners. In other words, it was an adversarial start to a simple request. One could have responded by saying: "Look, here is the whole act. We may find ourselves in an adversarial position, but here are your sets of protections and here are our sets of protections," etc.

The problem that seems to arise—and I have had other people come to my office with very similar problems—is that unless someone is aggressive enough as an individual not to take the first word from the ministry as being the gospel, then he will simply give up when in actual fact they do not necessarily intend anything nefarious at all. I just feel that it is a matter of how the ministry views its position of service. I would ask the minister respectfully to review that.

Hon. Mr. Pope: One thing that probably would be of some interest to you is that in the light of some comments you made to me personally and in the light of some other problems we saw arise, we did review our water policies in the ministry and provide for more encouraging policies towards private generation sites. We took that through the cabinet, in fact, as a new policy of the ministry, and we hope that some of those areas where you have identified outdated policies, policies that need to be reworked to meet private interests as well public interests, can be worked through the system.

I am aware of the problems you had with respect to your area of interest. We just have to keep working on field attitudes and on making sure that the policy is understood out there by employees of the ministry and that they assist. It is not just in the use of water for generation, we have a number of new policies in place: for example, privatization out to the small greenhouse nurseries of our containerized seedling program; we have got in place community involvement programs with respect to sportsmen's clubs and fish interest groups. We have

really made some changes in that direction away from direct ministry ownership and operation.

So there have had to be some substantial changes in what we are prepared to accommodate with respect to new programs from individuals. We are trying to work at it. Although we will probably never get 100 per cent success, just hope we can improve our performance.

Mr. J. A. Reed: I will just try to wrap up vote 2501, as far as I am concerned, as quickly as possible.

I sectioned off item 9, field administration. I am not sure what all that encompasses. Does field administration encompass your enforcement officers? Does it encompass your engineering staff who work in the field, your survey people, etc.?

Hon. Mr. Pope: I am sorry. It is distribution managers and regional directors: everyone in the office.

Mr. Foster: Administration staff.

Mr. J. A. Reed: In every different one of the district offices?

I think I outlined the comments I suggested under legal services, which are certainly applicable there. I have only one other question. I do not know whether it is traditional for a parliamentary assistant to be present at these estimates. Is there a reason why he has chosen not to attend? Is he ill? In 1982-83 he is going to get a perk of \$7,200. I would hope he feels confident he is earning his money.

Hon. Mr. Pope: I understand prior to the arrival Mr. Yakabuski has been heavily involved in both the conservation authorities and parks areas. I know he holds meetings on a regular basis with conservation authorities that come in. I know he travels to their annual meetings and to other functions they hold. He has on occasion brought matters before caucus for me. He has certainly been helpful to me. I think he is worth his money.

Mr. Laughren: Did he make any speeches for you?

Hon. Mr. Pope: Yes.

Mr. J. A. Reed: I do not know whether it is traditional for the parliamentary assistant to be present at these estimates, but I would suggest that if he is interested in learning his craft, he would do well to be here.

Those are all the comments I have to make on vote 2501.

Mr. Wildman: It is my understanding from the briefing book under main office that the policies and priorities of the ministry are set at main office.

Mr. Chairman: I am not quite as familiar with the ministry as the minister is, as you can well imagine. Perhaps the minister could comment.

Mr. Wildman: My understanding is that on page 8 of the briefing book, under main office activity, it says: "Description: This activity provides funding for the administration of the ministry as a whole. The functions performed include the development of policies, the setting of priorities, budget preparation and program valuation."

Mr. Chairman: I am not sure why you asked. Did you want to question that?

Mr. Wildman: I just wanted to make that clear before I start asking my questions on policies and on the setting of priorities in the ministry pertaining to forestry and mining.

Mr. Chairman: The chair has never aired anything whether something pertains before, so why would you expect it now?

Mr. Wildman: I wanted to know, first, if the minister could indicate what the ministry's policy is with regard to the spraying of Matacil 1 and Tordon 101, Tordon 10K, and other Tordon compounds as well, in the forestry program. What policies are set to require warning to local residents or people who might possibly be in an area where spraying is about to take place? What local input is required according to ministry policy prior to a region or district making a decision and actually taking the action of spraying in an area?

Mr. Williams: Mr. Chairman, on a point of order: I think Mr. Wildman honestly wants to try to make his point this evening that somehow or other we are going to abuse the consensus of thinking that is applied in this committee and that the decision has been taken to deal with all aspects of the minister's responsibility in accordance with the votes before us.

Mr. Wildman: I am dealing with the votes in order, Mr. Chairman. I am dealing with main office.

Mr. Chairman: That's fair enough.
10 p.m.

Mr. Williams: If Mr. Wildman or Mr. Laughren think that badgering can get us riled up, they have a long way to go. We have the patience of Job over here, but if they want to abuse the privileges of the committee, the eight hours that

we have allocated to you this evening out of respect for your statement that you wanted to spend a long time talking about forest management and wildlife management, if you want to try to go at it through the back door and expect you are going to preserve those eight hours, I think you had better start thinking twice.

On this point of order: Obviously, Mr. Chairman, it is quite clear that what Mr. Wildman is talking about comes under a separate vote, namely vote 2504. He is obviously digressing from talking about the main office administration and he is coming back to questions that he started to ask earlier about forest management. I suggest it is out of order to deal with it under item 1 of vote 2501. I would like the chairman to rule on that.

Mr. Wildman: On the point of order, Mr. Chairman, first of all, as a matter of privilege, I reject and object to the suggestion that in some way I am abusing the rules of the House or this committee. I am following the consensus, or the majority position, that we should deal with votes in order. The first vote is main office and I read the description of the main office from the briefing book provided by the minister. It states in the briefing book that the main office is responsible for setting policy and priorities. I asked the question on policy as to what the policy is for spraying.

I would think, Mr. Chairman, that is quite in order. I have other questions on the main office which pertain to the actual expenditures in the main office, and so on, but this is a question of policy that relates to the whole province and not, as was earlier suggested by the member, that only relates in some way to northern Ontario.

Spraying of various substances by the ministry for herbicidal or pesticidal control are policies that are set in the main office. If I am wrong in that view perhaps the minister could straighten me out and indicate which of his regional staff who are on hand to answer questions could relate to that when we get to the actual vote.

Mr. Laughren: Even the minister would not answer my question.

Mr. Chairman: I think, on the point of order, perhaps the minister could respond to the policy part, to indicate how policy is set. As far as the actual content dealing with forest management is concerned it more properly comes under vote 2504. We can deal with it then.

Hon. Mr. Pope: The policy is in the policy manual that was tabled in the House last June.

Mr. Wildman: How do you monitor the application of that policy at the main office?

Hon. Mr. Pope: We monitor it through field reports.

Mr. Wildman: Are you satisfied that the policy is being applied in an equitable and fair manner throughout the various regions in the province?

Hon. Mr. Pope: I do not have any information that it is not.

Mr. Wildman: Before a decision is made at the regional level on the spraying of a substance such as Matacil in the Hearst district, is there any notification to the head office that there is a decision being made? If so, under the policy, what role does the main office have in approving or disapproving of such a decision at the regional or district level?

Hon. Mr. Pope: The main office is notified when a program is about to be commenced. The main office ensures that the procedures set out in the manual that is available to the public are followed.

Mr. Wildman: Does the main office have reference to the pesticides committee that is under the jurisdiction of the Ministry of Agriculture and Food with regard to spraying, and policies in regard to spraying?

Hon. Mr. Pope: I guess the simple answer is yes. For our formal instruction in terms of approving a product for use, and approving application methods and the people to do the application, we rely on the federal certifications of Agriculture Canada that has a system they developed in conjunction with the federal Department of Health and Welfare. The people who apply the chemicals are licensed by the Ministry of the Environment in accordance with their guidelines. I understand there is ongoing communication with a number of ministries in this government, including Agriculture and Food, by our pesticides specialists. There is also a fair exchange of technical information back and forth.

Mr. Wildman: This is a difficult question to phrase. Perhaps I should preface it by pointing out that the minister is probably aware, as are other members of the committee, that certain labs in the United States have been found to have used "questionable methods" in testing various chemical compounds, to the extent that the Environmental Protection Agency in the

United States has requested that new tests be done of various compounds which previously had been approved in the United States. Through Agriculture Canada and the ministries of the Environment and Agriculture and Food in Ontario these had been licensed for MNR and other agencies to use.

One of those labs was Industrial Bio-Test Laboratories Inc. which did tests which led to the approval, initially, of Tordon 101 and Tordon 10K. Since grave doubts were raised about the veracity of those tests and new tests were ordered, has main office considered discontinuing the use of those compounds until such time as new tests have been completed indicating they were indeed safe and had been accepted by the federal authorities, and through the ministries of Agriculture and Food and Environment in Ontario were found to be acceptable? Or are you just continuing to spray, based on tests which have been put in grave doubt by scientific studies in the United States?

Hon. Mr. Pope: This has been the subject of quite a few discussions between Ontario and the federal government. The IBT list is well known. It is my understanding that a herbicide used one of the chemicals that was part of that regrettable process that IBT was involved in, namely glyphosate, or Roundup.

Mr. Wildman: Yes.

Hon. Mr. Pope: It was one of the chemicals which Ottawa is currently reviewing. It really has not permitted any operational use of that chemical. I presume that a similar decision has been taken with the others on the list, although I do not have in front of me the list of all the 100 chemicals, to answer your question. I understood that any of the chemicals which were suspect had not been approved for operational use by the federal government.

Mr. Wildman: That is encouraging, but my information, and it may be open to question, is that the Tordon compounds are still registered in Canada by the federal authorities although they are part of the IBT 100 list.

Hon. Mr. Pope: Are they part of the 100 list? All I can tell you is that the information we have is with respect to what we use in Ontario. We use Matacil and Orthene and biological control materials, Dipel-88, Thuricide and a couple of experimental viruses in pesticides. None of these are caught by that list of 100.

I will check those specific names you gave me through our pesticides and herbicides branch and make sure. I can get you that information, if

ot by tomorrow morning at 10, at least by Thursday evening. The information we have is that we are not caught in that problem.

10:10 p.m.

Mr. Wildman: Okay, thank you. Has the main office considered the kinds of questions that have been raised about the effectiveness of atacil and its possible health effects in other jurisdictions such as New Brunswick?

Hon. Mr. Pope: Yes.

Mr. Wildman: How has that process been done? Has it been independent of the Ministry of the Environment or in conjunction with OE?

Hon. Mr. Pope: I would assume that our people have been working in conjunction with OE. I have been asking for information myself and a reaction to the various things I have read in various newspapers and various test results that I see coming out establishing some correlation. I have been told, for instance, that the tests we have done with respect to our emulsifiers have not been used in Ontario for some considerable period of time and that therefore they might not be applicable.

In any event, I have also been trying to read some of the studies and the responses to them, but all you can get, even from the Environmental Protection Agency in the United States when they actually approve chemicals for use, is the statement that there is no proven relationship. That is the terminology they use.

I guess the answer is yes, there are a number of ways in which we are looking at it. One of them involves my reading the documentation as well as I can. There are so many chemical terms in it that I find it difficult.

Mr. Wildman: Okay. I have talked on the phone to a gentleman in your office, Mr. Bertson. Is he your executive assistant?

Hon. Mr. Pope: He is one of the people who work for me in my office.

Mr. Wildman: He has been quite helpful on a couple of occasions. What I am interested in finding out is what exactly his role is in dealing with localized problems—that is, problems where an individual writes to you about a local problem or complains to the local member, who then writes to you about a local problem. What is Mr. Bertson's role in dealing with those kinds of issues and cases?

Hon. Mr. Pope: I like to send him out because he is not a ministry employee, he is just my employee in my office, to review decisions and

meet independently with people who have expressed some dissatisfaction with our activities or our decisions, and he reports directly to me.

Interjection.

Hon. Mr. Pope: Never.

Mr. Wildman: I am not singling him out necessarily, but is his salary part of this figure on main office, or where would we find that?

Hon. Mr. Pope: Yes, it would have to be under my main office budget.

Mr. Wildman: I see. His travelling expenses would be included in that as well?

Hon. Mr. Pope: Yes.

Mr. Wildman: If we look at the actual expenditures on main office in 1980-81 and compare them with the 1981-82 estimates there was a drop in the estimates from the actual expenditure from 1980-81, and then this year there is a significant increase, about \$1 million, in the estimates over last year's estimates. Can you give us some explanation of the changes in the figures in the main office?

Hon. Mr. Pope: There is a \$100,000 increase in employee benefits in main office; there is an increase in transportation and communications; there is an increase in services from 1981-82 estimates of \$407,000 to \$509,800; there is a \$700 increase in the parliamentary assistant's salary and a \$2,300 increase in my salary.

The employee benefits package is \$400,000; the increase is for compensation board contributions that are required. There are salary revisions of \$181,900. The total increase, I guess, was \$992,700.

Mr. Wildman: That is about a 30 per cent increase.

Hon. Mr. Pope: Yes, but \$400,000 of that is for an increase in Workmen's Compensation Board premiums.

Mr. Wildman: What is the reason for the increase?

Hon. Mr. Pope: There must have been a change in the rates.

Mr. Wildman: Is MNR given a higher assessment?

Hon. Mr. Pope: I guess there was a change in the premium assessment.

Mr. Wildman: What is the reason for that? Has there been a significant increase in the number of accidents or downtime claims?

Hon. Mr. Pope: I think the helicopter crash and a couple of other incidents last year could

have been reasons for that. I would imagine the crash on Maple Mountain had something to do with it.

Mr. Wildman: To follow along from the question raised by my colleague for Halton-Burlington about the parliamentary assistant's salary, I have received correspondence on occasion, once or twice from the parliamentary assistant, with regard to parks and conservation authorities, so obviously he signed some letters. Does the minister not think a parliamentary assistant to a major ministry like this, in terms of its importance in the economy of this province, should be present during the estimates?

Hon. Mr. Pope: He is involved in discussions about the estimates and he is involved in the day-to-day issues of the ministry. Quite frankly, nobody asked before—at least I have been through only one set of estimates—did you ask last year?

Mr. Laughren: Yes.

Hon. Mr. Pope: I'm sorry about that. Quite frankly, I did not pass it on. I do not think it was necessarily his intention not to be here. I just never asked him to attend. So I would not lay the fault on his doorstep. It may have been my own. I forgot that Mr. Laughren raised it last June.

Mr. Wildman: What role does he have in terms of setting the priorities that are determined for expenditures on conservation authorities and parks?

Hon. Mr. Pope: I guess that is one of the most competitive areas of the ministry in dollar priorities. We have constant visits from conservation authorities and constant requests from health superintendents in the parks branch with respect to our spending dollars. We have a system of prioritization of specific projects under the conservation authorities program that involves regional allocations plus project priority allocations in regions with base funds and also special project funds. We also go through an in-year auditing of performance and expenditures.

On a number of occasions we can switch priorities around, depending on whether the money is used up from one project or another, or how the flow of funds is going in one project or another, or whether there is a holdup at some level or another. He tends to get involved in the nitty-gritty of discussing or receiving submissions from conservation authorities about those kinds of things.

Quite frankly, I get a chance to meet with

maybe only two conservation authorities a month at best with respect to certain specific projects. They often arrive with the support of municipal councils. Some of the aldermen or city or municipal administrators will be present with them and make submissions on either new projects or the flowing of funds as scheduled on existing projects and multi-year forecasting problems that the municipalities have. So all these items tend to be very controversial and very complex. Except for a couple of months, that is about the limit of what I can do.

Mr. Wildman: Would it be his responsibility in that process to recommend, during the estimates development process, the downgrading of the priority for conservation authorities and water management that led to the cut from actual expenditures in that area in 1980-81 from about \$53 million to \$41 million in the estimates for 1981-82? That has just climbed slightly to \$43 million in this year's estimates. Obviously, there has been a serious downgrading, or so it would appear, in the ministry's priority for conservation authorities and water management.

10:20 p.m.

Hon. Mr. Pope: No, he would not be responsible for that; I am. He is involved in discussion with me and a number of other conservation authorities and we are changing our priority to flood plain land acquisition and channelization and other physical projects to improve drainage. That is a turn away from some of the other expenditure items that conservation authorities also get involved in. We had an in-year constraint on conservation authorities in 1981-82 and that was not his decision whatsoever.

Mr. Wildman: You are stating that was a decision that you made and I accept that. You have said that the shift has been towards flood plain management. Did I understand you correctly? All right. If that is the case, has there been a significant increase in expenditures in that area within that program? If so, could you tell us by how much that has gone up, despite the total amount going down? By what amount has that gone up?

Hon. Mr. Pope: I think we have tried to reorder our priorities within the existing budget gets outside of the in-year constraint exercise that we went through last year. We have been trying to order our priorities both on the base budgets and also on the special projects funds. We have had a number of projects submitted to the ministry. Mr. Yakabuski meets with the conservation authorities and they indicate what the

would like to do. When the project approval comes in for my signature, I will review all the items and on a number of occasions I have turned down projects because I did not think they suited our priorities.

Mr. Wildman: In terms of actually setting priorities, has there been a large increase in the number of applications under the Canada-Ontario flood plain management agreement?

Hon. Mr. Pope: Flood reduction?

Mr. Wildman: The flood reduction program.

Hon. Mr. Pope: There have been a number of additional applications from parts of the province you are familiar with and there have been some provincial-federal discussions with respect to them. I think Goulais River was done today. Flood risk mapping of the Goulais River and construction of a flood control embankment for the town of White River is approved.

There have been a number of applications under that program from a number of smaller communities that are not part of the conservation authority system. We have been trying to expedite the federal-provincial process and put some additional funds in there. Whether or not it has had an impact yet in these estimates, it is hard to say.

Mr. Wildman: By the way, I am glad to hear that the Goulais River and White River have been approved.

Hon. Mr. Pope: You raised that last December.

Mr. Wildman: I remember, yes. I would like to go down here further on vote 2501.

Hon. Mr. Pope: Just to clarify it, I deal with the priority systems and have that discussion in the context of the management committees in the ministry. In terms of the allocations in regions or between regions, and the reaction by the conservation authorities who are putting projects on line, a lot of that work would be done through me with Mr. Yakabuski.

Mr. Wildman: I see. You would not have any idea of how many hours he actually spends doing ministry business in this regard?

Hon. Mr. Pope: I really could not tell you. I did not monitor it.

Mr. Wildman: I would like to follow down further on vote 2501. We find in supply and office services and in personnel services and information services as well, those three, a similar pattern to what I was talking about in the main office. In systems development services especially, there are significant increases, and in

those items 3, 4 and 5 where they dropped from actual expenditures in 1980-81 in the estimates last year, and now have gone up again this year, in some cases quite substantially.

You suggested the main reason for the change in main office was cost of personnel and workmen's compensation. Could you give us some explanation of the changes in expenditures in these items and the reasons for that?

Hon. Mr. Pope: On supply and office services, we had a discussion as I recall with Mr. Reed on this, but the increase relates to salaries and wages in the amount of \$191,500. That is inflationary increases, or salary revisions I should say, and employee benefits linked to that is \$29,400, bringing it to a total of \$220,900.

On program expansion costs, we can go through program expansion but you would probably know what they are. They relate to land-use planning. They relate to our community involvement programs with respect to fishing and other administrative aspects of that and that is \$254,000. Office automation and development is \$342,000 of that item. That pretty well accounts for most of the \$833,000 increase.

Mr. Wildman: Would it be fair to say in the setting of priorities—what it actually means in terms of the cost expenditures estimates—that the highest priority in terms of increases in the ministry has been given to mineral management and forestry management?

Hon. Mr. Pope: I would say so, depending on what portions of those programs or activities you allocate to which vote, whether it falls under administrative or whatever. I would say yes.

Mr. Wildman: That is a conscious decision on the basis of what you and your advisers perceive to be the main functions and the most important functions of your ministry?

Hon. Mr. Pope: Yes, currently it is a priority.

Mr. Wildman: Could you tell us what this means in terms of expenditures for fish and wildlife in proportion to the increases in the areas of forestry management for instance? How do they compare?

Hon. Mr. Pope: I guess you would have to break it down program by program, but in outdoor recreation there is an increase of \$3.5 million. Included in that would be fish and wildlife programs and the resource programs. The 1981-82 estimates of \$97 million have increased to \$115 million. That is an increase of \$18 million.

It is hard to give you an answer in terms of

priorities because that does not take into account Board of Industrial Leadership and Development funding and other special things like section 38 projects. These are interwoven into the whole thing and do not necessarily fall into the regular budgetary process and therefore would not be reflected. The total priority or the total commitment to the funds would not necessarily be reflected in this summary.

Mr. Wildman: I appreciate the opportunity to discuss the priority setting function of the main

office as it relates to the importance that the minister, if other members do not agree with him, unfortunately puts on forestry and mining.

Mr. Chairman: Thank you very much for concluding in such a nonprovocative way. Is there anything else on vote 2501?

Mr. Laughren: I have some questions on this office.

Mr. Chairman: I suggest we adjourn and resume tomorrow morning at 10 o'clock.

The committee adjourned at 10:31 p.m.

CONTENTS

Tuesday, June 15, 1982

Ministry administration program.	R 9
Adjournment.	R 8

SPEAKERS IN THIS ISSUE

Andrewes, P. W., Acting Chairman (Lincoln PC)
 Fish, S. A. (St. George PC)
 Harris, M. D., Chairman (Nipissing PC)
 Kolyn, A. (Lakeshore PC)
 Laughren, F. (Nickel Belt NDP)
 Pope, Hon. A. W., Minister of Natural Resources (Cochrane South PC)
 Reed, J. A. (Halton-Burlington L)
 Sweeney, J. (Kitchener-Wilmot L)
 Villeneuve, O. F. (Stormont, Dundas and Glengarry PC)
 Wildman, B. (Algoma NDP)
 Williams, J. R. (Orillia PC)

From the Ministry of Natural Resources:

Foster, W. T., Deputy Minister



Ontario, LEGISLATIVE ASSEMBLY

No. R-14

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Resources Development
Estimates, Ministry of Natural Resources



Second Session, Thirty-Second Parliament
Wednesday, June 16, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 10th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, June 16, 1982

The committee met at 10:13 a.m. in room 228.

ESTIMATES, MINISTRY OF NATURAL RESOURCES (continued)

Mr. Chairman: I will recognize a quorum. I think there are one or two members not here yet. I believe Mr. Laughren had the next question. Are you ready to go ahead?

Mr. Laughren: I am a little uneasy about stating without any Liberal members here at all I know they would not do it to us.

Mr. Chairman: Pardon?

Mr. Laughren: I am a little nervous about stating without any member of the official opposition here.

Mr. Chairman: If that is the direction of the committee, we can wait.

Hon. Mr. Pope: The whip for the Liberals just appeared so I assume someone is on the way.

In vote 2501, ministry administration program:

Hon. Mr. Pope: There are copies of the cost schedules for the road. They are on the centre table.

Last night Mr. Wildman asked about Tordon. Tordon is not used operationally nor approved in Canada for aerial application. The pesticides applied operationally are Matacil, a chemical used against spruce budworm; Orthene, similar to a chemical used against spruce budworm. Beillius Thuringensis—BT—is also applied by aerial application. It is a biological control agent used against spruce budworm. Also 2-4-D is herbicide used to control competing vegetation in regeneration. Those are the four chemical agents now applied aerially.

All of these products are registered for use by Agriculture Canada and National Health and Welfare. Our spray operations are conducted under permit from the Ontario Ministry of the Environment.

In a couple of minutes, we are also bringing over that manual filed last year. If he is coming this morning, maybe Mr. Wildman can have it. I am just taking care of a few things.

Mr. Laughren: Is there anything else? Are you finished?

Hon. Mr. Pope: Yes.

Mr. Laughren: Before I raise a couple of other points, the latest figure I had for the cost of spraying was about \$7.93 a hectare or \$3.21 an acre.

Is that roughly the cost of spraying? I do not need it to the penny, but is the price in that neighbourhood?

Hon. Mr. Pope: I really cannot tell you anything. Bill says that is roughly it and he will get you the prices.

Mr. Laughren: What I was trying to get at was the number of acres to be sprayed this year compared to last year and where those are. Do you have a map that shows the blocks to be sprayed this year, what is to be used and to what extent you have increased the amount of spraying you are doing this year?

Hon. Mr. Pope: We do not have a map. We can get one together for you.

Mr. Laughren: Is there a substantial increase in the amount of spraying this year?

Hon. Mr. Pope: I am not aware of any. When we saw some recent articles I asked that question and was told there was nothing unusual this year.

Mr. Laughren: Perhaps when we get to the forestry vote, we can talk more about spraying.

Under this first vote, there was a number of things I wanted to raise, one of which I raised last year. It has to do with the whole question—I happen to believe you have some very good people in the ministry. You have a very good field service; your district managers and others around the province have a lot of knowledge. I regret they do not take part in these estimates debates. They have a lot to offer.

It is not a question of the minister having to prove he knows everything or that the deputy knows everything, but a case of making the good people you have feel they are part of the process and that they are important in the Ministry of Natural Resources.

I regret that once again you have excluded some very knowledgeable and good people from contributing to these debates. We would not want them here in order to embarrass them. Policy questions would be directed to the

minister. But surely they have a depth of knowledge about their own particular areas that the minister or the deputy simply are not expected to have. So I do regret that. I think that is a main office decision.

Second, under vote 2501, I wonder whether or not there has been a good policy development on the whole question of one-industry towns. I had a couple of strange letters—I did not bring them with me today—from this minister and other ministers concerning a committee that has been established to look into the problems of one-industry communities. I think you have called it a different name now. The former one was sunsetted.

I would like to know what policy has been developed within the ministry regarding that. I would like to know exactly what that committee is doing. I have been pursuing problems of certain communities, in particular Island Lake, near Chapleau, of which I know the minister is aware. I keep getting reassurances that this interministerial committee is looking at the problem, but by the time that committee finishes looking at the problem, it will be too late to do anything for the town of Island Lake. It may even be too late now.

That has been going on for a long time. I would like to know what policy is being developed in that regard.

Tying in with that is the whole question of resource depletion and to what extent the head office is developing some kind of policy which would tell communities exactly where they are going. In my leadoff remarks I asked for an independent geological assessment of key minerals in the province.

10:20 a.m.

One reason for requesting that—I also asked for it in the afternoon emergency debate on the Sudbury situation—is so that we all know where we are going in these communities that have a finite life; at least the ore body has a finite life, and in many cases that means the community does too. But the communities have no idea.

If you look at the reserves that Inco tells us they have, every year it is the same. They have statistics that go back for 20 years saying that. I know, as they drill deeper, they find new reserves, and they put that figure in.

The public has a lot at stake in these communities and yet we do not have a say in the life of the communities—how long the fuse will last, or what will happen to the people who are there. That is the second area I would like to know about.

Third is the whole question of processing what extent the main office is working toward further processing of our minerals and forestry products.

The private sector is not going to determine that they are suddenly going to make finished products out of our ores, or make furniture of our wood. There has to be some leadership provided by the public sector. If it is provided, we will just go on the way we are going now. That is the sad history of this province.

Another major point that I believe falls under main office is the whole question of hiring practices.

The minister got very defensive last night about the political referrals. I would just tell him, if none of the things he accused me of saying is true, why should those political referrals be there in the first place? Why even hire them? If it is all so clean-cut and above board, why do you have them?

Why not let the local district managers hire the people they want to hire, rather than have them forwarded from the regional office main office here in Toronto? If it is all so clean and clean, why is it there? I would appreciate an answer on that.

I also mention briefly the question of what determines the fate of someone like MacAlpine. Mr. Stokes will be in to pursue this with the minister, so I will not dwell at length on that, but surely the firing of Mr. MacAlpine is a main office decision.

I would like to know where that kind of decision making ends. Where does the ball stop? Does the decision to fire someone like MacAlpine come to the district office, the divisional office, the assistant deputy minister of northern Ontario, the deputy minister for the province, Mr. Foster, or the minister?

What is the normal channel through which decisions like that are made, and what was the channel with Mr. MacAlpine?

The next point which I believe is also a main office decision is the whole question of wetlands policy. I won't go into all the details of it. What happened to what I thought was a promise that there would be policy in June? June was promised for wetlands, June 1982.

There does not seem to be any indication that this is going to happen. The minister says he has those 450 letters to read, but I would like to know where we go from here with wetlands.

Finally, under this vote—depending upon how the minister responds, whether or not it is final—is it possible to do, or has the minister

already done, a cost-benefit analysis on forestry?

This is a fairly complicated question, but I would be interested in knowing to what extent our forests cost us money, compared to what the revenues are from the forest. It is not an easy question.

A person could make all sorts of simplistic conclusions about it, but there are tax revenues and that kind of thing that complicate the matter. To what extent are there revenues from the forestry industry and to what extent are they cancelled out by cost? There are enormous public costs associated with forestry.

I would like to see the books balanced here. The ministry must know to what extent forestry provides a surplus to the province, or to what extent it is a deficit in the way we run our forests.

Those are some of the main office questions I have before get into the individual votes.

Mr. Mr. Pope: With respect to one-industry towns and resource depletions: in most of our submissions to the Board of Industrial Leadership and Development, in most of the development or expansion of our existing programs and with forestry and mining we consider the application of programs which will alleviate some of the problems of one-industry towns.

We had that specifically in mind when we went beyond the Ministry of Natural Resources to nurseries and to the private sector with five-year contracts, with a deposit on account of contracts to aid in the construction of these nurseries.

With respect to the industrial mineral program—specifically targeted smaller communities which we felt had industrial mineral potential and needed some economic diversification, even if they were already mining communities in base or precious metals—we thought a further diversification would be of assistance to them. That is why the industrial mineral program was devised.

We have attempted to expand our geological survey program into areas that contain communities traditionally known as woods products communities. In our custom gold-mill program, we have specifically targeted smaller communities.

Our first agreement for a custom gold mill was executed at Beardmore. We think this will have a positive impact on three or four communities in that area, which previously had the mining industry leave them or go out of production. We are hoping to get them back in to provide more economic diversification away

from the woods industry and some commercial fishing carried out on Lake Nipigon.

We have devised a number of new programs. We have attempted to address the issue of the smaller one-industry communities. We have attempted to both provide an expanded resource base and, in some aspects throughout some other government programs, strengthen the long-term competitiveness of the existing resource industries.

We have also, with some success, acted on a short-term basis in some of these communities regarding section 38 applications with the federal government to provide some bridging employment to try to meet the traditional ups and downs of these industries.

We are concerned about resource depletion, and that is why we have been working on such issues as utilization of poplar and hardwood as a species in different parts of northern Ontario.

I might add, going back to the subject of one-industry towns for a minute, that this is one of the reasons why we have tried to accelerate the construction of waferboard and other medium-density fibreboard plants. The Ontario Development Corp. has entertained and approved some applications for furniture manufacturing in some of these communities.

However, the whole resource depletion situation on the forestry level is the reason why we are studying utilization, the reason why we are encouraging the use of poplar and other hardwoods up in northern Ontario and the hybrid poplar program in southern Ontario.

Even if we have a target of 9.1 million cunits, it does not necessarily mean that you achieve it by adding additional permit areas. You would also concentrate on greater utilization species on the existing limits and you would go for greater utilization.

10:30 a.m.

With respect to the mining sector, some programs of long-hole drilling are in place which can have the effect, in combination with the Ontario mineral exploration program, of giving more accurate and long-term data on the extent of the ore bodies than was previously available. The long-hole drilling or exploration drilling is one of the programs we are hoping to adapt to the Sudbury situation so further geological data is available to those smaller companies, prospectors and developers who may want to consider investment in the Sudbury basin.

The use of the geological survey and of satellite data has expanded more rapidly than in the past, to provide better resource maps for

those interested in becoming involved in resource industries. We hope that will also be helpful in addressing resource depletion problems. You will have a wider extent of knowledge available to you on which to make investment decisions.

There is no doubt, however, that with respect to all bodies of ore presently under development in the province, we do not have available independent geological assessment data through which we could check whether or not the statements made by the company as to the life of the ore body are accurate.

I should have mentioned the drill-core library too, which is going to have a better impact on resource depletion information. In any event, even if we had the raw data from the long-hole drilling or exploration drilling both on the surface and below ground, you would still have to do an economical conversion based on certain assumed costs and market conditions. All we can do is speculate.

However, in direct answer to your question, yes, we are trying to accelerate our long-hole drilling program. That is probably heading towards where you would like us to be, but there is no doubt we will not be there for some years to come. Only through pursuing the long-hole drilling program over an extended period of time will we have independent geological information that would be anywhere near what you would probably submit we should have at our disposal to assess ore bodies in northern Ontario.

In regard to the processing policy, we have made some improvements in performance, particularly in the forestry sector with the construction of medium-density fibreboard, waferboard and particle board plants. They are producing a more highly finished product than previously was produced in Ontario.

Compared to other Canadian jurisdictions we have a greater degree of finished product production in the pulp and paper industry than any other jurisdiction. Although we are at the 80 per cent level right now, we can improve that. I am hopeful improvement will come with some of the support programs we have in place.

We are also hopeful some of the new programs we have in place in eastern Ontario for hybrid poplar and hardwood utilization will assist in that. We now have an opportunity to build into the pulping and paper production process capacity at both ends, both through changing the volume of input into the machinery to accommodate the hardwood and poplar and, at the same time, develop machinery that can

more properly finish the products we have been producing.

We also have Forintek which we just recently concluded a three-year, \$1.6 million research project with. The federal government is involved in the financial support of that institution. Our support has taken, traditionally, the form of contracts which gives them some contractual certainty upon which to base their operations.

Forintek is now doing some work on finishing products, including laminated woods, the use of the wood fibre and some of the other chemical compounds present in our hardwoods in Ontario. This is paving the way for further processing of our forestry products right here in Ontario. They do a lot of work, not just for the government, but also for the private sector under contract. It is my belief the impact of this research is going to be very positive in terms of further processing.

In regard to the mining sector there are some ongoing structural issues Mr. Laughren would probably refer to in terms of processing facilities offshore. They have existed for some time and so has the issue as to whether this should or should not have been done.

I do believe that with the expansions going on, particularly in the Timmins area, further processing is being done in the industry. We will further improve on it. We think there is a need and it is good economics, for instance, the further processing of high arsenic content silver ore in the Cobalt camp. We have been trying to persuade the silver mines in that area to go to Canadian Smelting and Refining Ltd. to further process their ores right at the source. We will continue to take that position.

On a number of occasions in the past year we have turned down processing applications from a number of companies because we think there are adequate processing facilities that, on a contractual basis, could be used. We have gone so far in gold production as to provide facilities for some of the smaller operations in process in Ontario as opposed to shipping elsewhere.

Through the cumulative effect of that, I think the impression I am trying to convey to the industry that we want a good, hard and honest look at the processing capacities of Ontario. Of the refineries located here, we hope this will lead to greater processing. Although it is early to tell whether or not that is true, it is the way we are heading.

With regard to the issue of the firing of MacAlpine, the member is right. It is an administrative

isative process that I am not involved in. I was advised there was a recommendation with respect to that firing based on certain information. The order of termination was sent out, as it must be I understand under the appropriate legislation, by the deputy minister, but it was with my knowledge and consent.

It is not something we normally do and it is not something we are happy to do, but it is something I as minister am responsible for to the public and to the public. I think they perceive it that way as well.

The matter is under appeal now. I do not know what the results of that appeal process will be. I am hopeful that in the course of the appeal process, or whatever comes about afterwards, there will either be a resolution of the issue or at least an opportunity, probably in question period, I could imagine, for a further discussion of the issue.

I would leave it by saying that I understand the feeling out there is that Mr. MacAlpine made a statement on a matter of public concern and, based on him making a statement, he was fired. Those are not the issues as they were put to me, neither will they be the issues put to the appeal process. Other than that, I think it would be unfair for anyone to comment.

I have read transcripts of hearings on this kind of thing. I have been in touch with a number of opposition members and some ministerial employees to hear what they had to say about the situation. It may be that the matter will be resolved. It may be the appeal process will continue, but I really do not think I can say any more than that other than to acknowledge the members' concern and the concern expressed by the public, in Mr. Stokes's riding particularly, and that Mr. Stokes has mentioned the matter to me on a number of occasions.

1:40 a.m.

On cost benefits on forests, we do get various statements made with respect to cost benefits and these statements are made by the forest products industries and a number of organizations. They relate in general terms to tax revenues paid by the industry, and the honourable member is quite right, it is hard to accumulate all of that information and juxtaposition it to expenditures for the forests we undertake on a number of scales.

One of the reasons I have avoided cost-benefit analysis in the land use planning exercise, quite frankly, is because if you set up the forest industry for cost-benefit analysis, it is very difficult in dollar terms to give a cost-benefit

analysis of the value of wilderness areas and park lands in Ontario. I think they happen to be very valuable. But how do you translate that into dollar terms? I do not know.

You can go the route of the tourist outfitters, the Northern Ontario Tourist Outfitters Association and some of the other Ontario organizations. The Ministry of Tourism and Recreation has attempted to do this in balancing off the long-term impact on the tourist industry, in terms of tax revenues to the province and employment opportunities for people who could be affected, should one make a decision on the licensing of lands to the forest industry or the construction of certain roads. We do get involved in that kind of an attempt at an analysis.

However, some of the considerations that have to go into it do not relate merely to dollar figures. I think that was the position that the Federation of Ontario Naturalists took on land use planning. It is a very subjective issue on cost-benefit analysis and one that this ministry and the government should not necessarily engage in as a sole factor in deciding.

In terms of the forest products industry itself, 70,000 Ontario jobs in terms of direct employment—you can argue about multiplier effects. This came into the discussion yesterday. I do not know what the multiplier would be. There are some who say two, and some say 2.5; some say 1.5. I gather it is around that range.

Mr. Laughren: Some say 15.

Hon. Mr. Pope: Some do. If you include their tax revenues—if you include the corporate tax revenues and crown charges—there may be a net plus. However, it is clear, as you were exploring with me yesterday, that in the next five years our costs on our forest management program will be in the neighbourhood of \$200 million.

Whether or not it will be balanced off, at that time, by total revenues that can be generated from the forest products industries by direct taxation and the payment of crown charges, or whether it is balanced off by considering the tax revenues to the federal and provincial governments from employees' as well as corporate taxation, is something that is hard to speculate at this time.

I guess I am saying you can come up with a plus or minus figure depending what you include in the equation. I think you are right. It is very difficult to satisfy anyone that you have taken the appropriate revenues and expenditures into account when you do that equation.

Mr. Laughren: There are two points which you did not address. One is the whole question of some of your people coming to the estimates committee to help us in our deliberations and the other is the matter of hiring practices, the political referrals.

Hon. Mr. Pope: I think, with respect to attendance at estimates, we are caught. First, we do not think it is appropriate to have every district manager here to sit through the estimates. A lot of the questions that were raised by members last year were with respect to individual deliveries of programs in the ridings that the individual members were representing. We attempted to get the specific information to them.

On the other hand, the head office people, the program or executive co-ordinators, are generally in charge of policy and setting out policy and implementation guidelines to the field staff. Policy, as the member indicated, is a matter I was responsible for.

I can set your mind at ease. We are going to have the forestry and mining executive co-ordinators here for those sessions of the estimates so that there will be some expertise available other than that of the minister, although the deputy minister, with his long background in forestry, is every bit as expert as our executive co-ordinator—although that might start an argument. We will have them here, and we will use them as information sources.

I have been tossing it around since the issue was raised last December. We are trying to come up with some compromise. We will start with the forestry and mineral people. We may be able to work from there.

Mr. Reed raised some questions with respect to a problem in Thornbury. We have done some background work on that. We were going to give you some notes on it. There are policy background notes for which I am responsible, but the implementation was at the district manager's level. We have some notes we will share with you.

You may want to develop that; I think we have time before today. I appreciate what you were saying. You were asking that the district manager—

Mr. J. A. Reed: As a supplementary to this question about attendance, I did not expect or request that there be a large number of officials in attendance available to answer questions when and if those questions arose, but I was very specific on two concerns.

One was who the actual decision makers were

in terms of Thornbury, what the status is, and so on. I am prepared to get into that in more detail when we come to the vote. I would very strongly hope that those decision makers who could answer the question would be here.

The other was in connection with sport fishing. I had asked that someone might be in attendance to answer some questions about what certain choices were made in sport fishing when it would appear that other choices might have been more efficacious. Those were the only two areas I suggested.

Hon. Mr. Pope: You were discussing the Credit River, and we have a two-page—

Mr. J. A. Reed: I was using it only as an example.

Hon. Mr. Pope: I guess what I could say briefly, is that we now have a policy in place. Before we make decisions with respect to the stocking of species we do have some discussion with interest groups in the area. The decision is made in a more public forum, and we have it—the—is it the Saugeen River where we have the real battle going?

In some circumstances, two organizations will take different positions on what species should be stocked and where. We try to get them together to sort it out, whether there is compatibility or not between the two species and if so, whether we can accommodate one group in another location or something of that nature.

That is starting to work out in the Owasound-Grey-Bruce area. We are hopeful we can carry on. It is a more public forum for discussion on fisheries management in specific areas in the province than it has been before.

The Credit River and the decision to stock salmon—was it brown trout?

Mr. J. A. Reed: The decision was made not to stock brown trout. We have never had from the sport fisheries people a logical answer to the question why.

Hon. Mr. Pope: I have the answer. It is a two-page document which indicates that Atlantic salmon were historically indigenous to the Credit River and that the Credit River harboured one of the largest runs of Atlantic salmon on the south side of Lake Ontario.

We cannot resurrect the Atlantic salmon, but we are trying to produce a salmon run which is comparable to its traditional Atlantic salmon run. Historically there was no competition between the salmon and the trout because the brown trout fishery tended to be in the upper

riches of the Credit River system and so there was no conflict between the Atlantic salmon and the brown trout.

1:50 a.m.

Mr. J. A. Reed: That statement is well taken in so far as it goes, but that only complicates the matter because then you would ask why, how and by whom was the decision made to put in rainbow. It just adds to the confusion.

Hon. Mr. Pope: Yes.

Mr. J. A. Reed: It seems to me there should be someone here who has expertise in sport fishing and who can say, "We did it for these reasons." The reasons may be very valid and so on but I would like to have the opportunity to enter into some kind of lively discussion to find out exactly why this was done.

Those questions are being asked of me and certainly many anglers have been talking to me about the former brown trout population in the Credit River, realizing that Atlantic salmon historically were the fish of choice until the water impoundments went in on the river.

On the other hand, there is obviously a difference of opinion among various interested groups, perhaps as there is on the Saugeen and so on.

Hon. Mr. Pope: It is not going to be resolved by you asking a fish biologist because whatever he says—I can tell you why, for instance, brown trout were not stocked recently in the Credit River. That was because we had a whole one-year supply of brown trout wiped out by disease in a hatchery last year and we have had problems with the brown trout stocking program.

We had attempted to get brown trout eggs from Montana. They were the ones that contained the disease and we have been looking around for proper stock. We have now gone back to attempting to collect trout eggs from some of the natural habitat areas of the province and are using those, in co-operation with the sports fishing organizations themselves trying to get hatchery boxes into streams as well as putting these eggs into our normal hatcheries, but we have had a real problem with brown trout.

Mr. J. A. Reed: Some very serious questions arise regarding this whole program. As you know, salmon on the Credit River and those related rivers are strictly put and take. We do not know if salmon are yet reproducing under natural conditions. They have been milked at one of the impoundments this last year anyway

and presumably that will continue. We do not know that they are reproducing.

The story we get is that rainbow were introduced because there is a possibility of them reproducing naturally.

Hon. Mr. Pope: Yes.

Mr. J. A. Reed: I suppose the interest in restocking brown trout would be because they have the capability of reproducing. It just leaves a whole lot of questions unanswered.

Hon. Mr. Pope: I do not think it does. If anyone took the time to write to me, they would get the answer.

The fact of the matter is for 25 years this ministry did not produce brown trout in hatcheries or anywhere else because of disease problems. It is only in the last two years that we have developed chemicals, antibiotics, to control diseases in brown trout eggs. We reintroduced the program; we got brown trout eggs; and what happened the first year we got into it? Whammo, we had to wipe out the whole Montana species.

Mr. J. A. Reed: That is a very excellent answer. It is a very good answer. I am sure it is a better answer than the one I got from sport fishing some years ago that rainbow trout were introduced instead because they were easier to catch.

Hon. Mr. Pope: You are right. That was not the case. It was a disease problem and in the absence of the brown trout species being raised in our hatcheries we used the rainbow in substitution, because it was a trout and it would provide some recreational angling opportunities for the people along the Credit River.

The other thing you raised was with respect to fishermen's activities along the Credit River and the private property owners.

Mr. J. A. Reed: The density and the amount of bank degradation.

Mr. Chairman: I think we have allowed a pretty far-ranging discussion on the principle of having staff here to answer—

Hon. Mr. Pope: Just one minute: the answer is we established sanctuaries in an attempt to control the most heavily trafficked areas. We used the sanctuary method to try and protect private land owners. I have been questioning that myself, although I have signed some sanctuary orders in order to resolve some of the more emotional issues in certain parts of the river system. But that is how we have done it traditionally.

Mr. J. A. Reed: One thing you do not do yet is actually document geographically the areas where there is public access. You have not done that yet and it would be very advantageous to the distribution of people on those rivers if those access points were delineated very clearly.

Interjections.

Hon. Mr. Pope: The hiring, if we want to get back into it—

Mr. Laughren: You were so defensive last night, I could not understand why.

Hon. Mr. Pope: I thought I was restrained, compared to what I felt like.

Mr. Laughren: I am glad you were restrained, then.

Hon. Mr. Pope: We have a number of applications that come into the minister's office for employment. We have a number of members who write to my office indicating that certain individuals have written to them and would we see what we could do. We also get telephone calls from members who do not want to go on the written record indicating that certain individuals in their riding have been to see them in their office and there is an application in, could I find out what is going on.

I do not get personally involved in it. I do not have any lists. When people come to me from my riding, I know the families, I do not discriminate and I do not think any other member of the House discriminates whether they might traditionally mark their "X" in the right place or not.

I can tell you I forwarded the names of everyone who came to me. They came from families Mr. Laughren would recognize and he would no doubt hope for the best for them. They come from families that have traditionally not seen me as the proper representative, but be that as it may, they are kids and they need summer employment. That is my main concern, to try to do what I can to assist them.

There are a lot of members who feel the same way. They do it not from a partisan political sense but because it is someone in their riding and it is their job to try to do what they can. I understand that.

I do not keep lists of people who call me. I do not keep lists of names other members may suggest. I do not have any lists from any sources outside of the list of applications I referred to.

Referrals are simply that. They are processed through my office. They come in and go out. The ratio of referrals to hirings is not such that every referral from my office gets a job offer.

Last year the total number of referrals out of minister's office was 155; apparently 60 were hired. I did not know that until a few weeks ago when I asked about last year's performance.

Because I asked, I understand approximately 160 referrals have been received to date through my office. I do not know which of those have been hired. I have not kept track of that at all.

Mr. Laughren: If that is the case, why not that—

Hon. Mr. Pope: First, I did not send that to you or know about it. I can tell you main office has been reviewing hiring policies and has seen to me to have a broader perspective on hiring policies. That does not mean that main office is going to interfere on a political level or is going to interfere on a regional level in terms of where people are hired.

As far as I am concerned, as the minister has every bit as much right, and the head of MNR has as much right, to be involved in the hiring of MNR staff as the district managers. I would not be surprised if at some point we did not review the entire hiring policies of the ministry to see whether there should be some centralized policy with some input from the district managers in the hiring decisions.

11 a.m.

That is not from a Draconian point of view to exert some control or influence over the activities of the district manager. That just happens to relate to control mechanisms over what positions are available when; what we do when we get a constraint; what we do when we get a hiring freeze put on us from external sources and a number of other things that come up from time to time.

To be quite honest, we got into a bit of a problem last year when we had about eight per cent of the total constraint package loaded on us. We had to make some tough decisions and they affected hiring policies.

From time to time we have to make tough decisions during the course of a year. We cannot just have a holus-bolus system where once approved positions are in place, the district manager can proceed to hire as he sees fit without any control. At different times during the course of the year, we have to have elements of control there.

Again, it is not Draconian. I am not directly involved in it from a political point of view, but it is some attempt by main office to exert authority and control over what is going on in the field.

Mr. Laughren: You make it sound as though there was one telex. In fact, that is not the case. There were all sorts of telexes. It probably went from every regional office to the district.

Hon. Mr. Pope: Could be.

Mr. Laughren: Why would you say that you did not send out that telex?

Hon. Mr. Pope: That is the one you referred to. In your original question in the House, if you analyse it, you referred to a telex that the Chapleau district manager received. I am sorry. That is the way the question reads in Hansard.

Mr. Laughren: You go back and look at that. It was not a reference to the Chapleau district. It was a reference to telexes that have been sent out from the regional offices to the district offices. There is more than one telex.

Hon. Mr. Pope: There could be. There will be many more, I can tell you, and it is going to continue. Head office is going to continue to exert some authority and control over the district offices. Do you think it is Draconian and Machiavellian?

Mr. Laughren: No, I do not understand.

Hon. Mr. Pope: I am saying it is not.

Mr. Laughren: No. What I am saying is that I do not understand why the district offices should be told, in such firm tones, that they must absolutely keep open so many jobs and that all decisions must be justified and documented. That is pretty heavy-handed stuff from the regional office to the district level.

Hon. Mr. Pope: What is wrong with that?

Mr. Laughren: Why—

Hon. Mr. Pope: And if it was not happening that way, you would probably complain that the district managers were out of control. I remember Mr. Reed, at the end of the very first session I was minister, asking me, "When are you going to get a handle on the ministry?"

So, we attempt to control some of these basic programs and hiring practices in the ministry, and I get nailed from the other side. You guys are amazing.

Mr. Laughren: Never mind trying to pass the buck.

Hon. Mr. Pope: I am not passing the buck. I am telling you that it will continue. Okay?

Mr. Laughren: Oh, I do not doubt that a bit.

Hon. Mr. Pope: It will.

Mr. Laughren: I am not surprised that you do not want to give up that kind of control.

Hon. Mr. Pope: Good.

Mr. Kolyn: May I make a comment?

The Vice-Chairman: A supplementary?

Mr. Kolyn: Yes, a supplementary.

Mr. Stokes: He just came into the committee. I had my name down.

The Vice-Chairman: You were next. I am sorry.

Mr. Kolyn: It is a supplementary.

The Vice-Chairman: Is your question a supplementary—

Mr. Stokes: No.

The Vice-Chairman: —or on a new subject?

Mr. Kolyn: I certainly would like to make a comment on this particular aspect of it. When I came here, I had the occasion to receive a letter from a young student in my area who worked in forestry. One year he had worked in forestry and in the next year he wanted to apply for the junior ranger program. He asked me specifically if I would write a letter to the ministry in support of him getting a job the next summer, which I did.

I do not know whether he got the job or not, but to imply, Floyd, that just because you are not from up north you should not get a job—there are people here who are interested in forestry, and other things in other areas.

To give the district manager all the power you want to give him would mean that a person like myself, in my area, would not have much of a chance. The student would not have much of a chance of getting a job at all.

Mr. Laughren: I tell you, there is a bit of a difference between job opportunities for young people in Toronto and young people in Nakina or in—

Mr. Kolyn: I concede your point, but all I am saying is that the person I am talking about is interested in forestry, going to school taking forestry, and wanted to get into a related field. That is all I am saying.

Mr. Stokes: At age 17 he is taking forestry?

Mr. Kolyn: I am just saying, Jack, he is very interested in that type of endeavour. Just because he is from Toronto does not mean he does not want to work in the bush.

Mr. Stokes: I would like to get into personnel. How many employees does the Ministry of Natural Resources have on permanent staff?

Hon. Mr. Pope: There are 4,300, and there are another 1,800 man years.

Mr. Stokes: Another 1,800 on seasonal or contract?

Hon. Mr. Pope: That is man years.

Mr. Stokes: Man years, not employees.

Hon. Mr. Pope: In total, we estimate part-time and summer employment to range around 18,500.

Mr. Stokes: Around 18,500—

Hon. Mr. Pope: A total of summer; part-time; tree planters; firefighters; the whole range of employees.

Interjection: Plus the regular employees?

Hon. Mr. Pope: The 4,300 regular. Then, there are 1,800, which is sort of a hybrid figure I have seen. That is the number of man years; it relates to contracts.

Mr. Stokes: It is 1,800 man years, whatever that means.

Hon. Mr. Pope: In certain contract classifications. On top of that, you have a real mix of firefighters under contract and summer employment programs which builds it up to about 18,500—in addition to the 4,300, in addition to the 1,800.

On top of that, we have not added the man years' impact on the section 38 program.

Mr. Stokes: All right. Of the 4,300 regular employees, how many of them are registered professional foresters?

Hon. Mr. Pope: I do not think it has changed from last year. I think we got into this in last year's estimates. I think, "How many are in the field?" is your next question.

Mr. Stokes: Right.

Hon. Mr. Pope: I do not think that has changed from last year. I cannot remember the numbers I gave you last year, but I probably have it here. You wanted to know how many foresters. The 1980 figure is 288; resource technicians, 1,580.

Mr. Stokes: Professional foresters and technicians. Most of the technicians would actually be involved in some aspect of forestry, is that fair enough?

Hon. Mr. Pope: Probably about half of them, because there are other fish and wildlife technicians as well.

Mr. Stokes: These are not forestry technicians?

Hon. Mr. Pope: No, they are resource techni-

cians; 520 of the resource technicians are regular staff in the forest management activity but there will be other technicians not regular staff who are involved in forest management activity as well.

Mr. Stokes: Do you have complements, each of the 47 forestry districts, indicating number of forestry personnel required to realistically manage that resource?

The reason why I am asking this—I am trying to lead you down the garden path anything like that, but what I am saying is that the 288 professional foresters, I am going to guess that at least 50 per cent of them are sitting behind a desk somewhere. A lot of them are really not involved in the managing or husbanding of our forestry resources, but are doing something much more ethereal in administrative capacity, or are people really not directly related to the forest at all.

They may be acting as district managers, and district managers really do not go out and manage the forest. They are too busy pushing paper and answering all these memorandums that come from head office.

None of them is getting into the forest management agreements where, if you look at the terms and conditions of those FMAs, it is going to require that you have an ever-increasing number of people skilled in forest management. This includes professional foresters and forestry technicians.

I am sure you do have, somewhere in your tomes over there, something that would indicate, at least in general terms, the number of skilled foresters needed to manage the resource in a district, in a region, in a forestry unit and in a crown management unit.

11:10 a.m.

I am dealing with an area I know better than any other and I am sure if I had the time and the resources to dig deeper, I could make the same case. In the Nipigon district, we have Great Lakes Forest Products, Domtar, and a lot of others like Great West Timber and Buchana Forest Products operating either on crown management or on third-party agreements. We have a lot of small independent cutters and the complement of forestry related personnel in that district is five.

Two actual people are on the scene right now but one of them is being transferred to the Algonquin forestry district which means that—You are going to have two; I think one is bidding

He is in Armstrong now bidding out. You have one other forest supervisor.

I am wondering why there is such a turnover and change in the personnel, particularly in the forestry component of your ministry. Is it because the people in your ministry have always been mobile? That hasn't been my experience. If people feel they are doing something useful, productive, worthwhile and showing results, they tend to stay around to see the fruit of those results and to make sure there is some continuity in the forest management techniques they have undertaken.

That isn't happening and that bothers me. I am not being critical of you, I am not even being critical of your deputy minister, but our forestry resources are not being well managed now because of that fact. Now you are signing these forest management agreements and you hope to have them all done by 1985, I think there has to be a complete rethinking of the amount of personnel required in forestry, in fish and wildlife, in parks management and every aspect of the operation of this ministry.

Looking back to seven or eight years ago before there was a complete reorganization of your ministry, we used to have the old district foster situation. You had a district forester in Klora who was responsible overall for management and policies; you used to have one in Sixx Lookout; you used to have one in Thunder Bay, one in Geraldton, one in White River.

It worked reasonably well. The esprit de corps in this ministry was second to none not only in this jurisdiction but in any others I am familiar with. For whatever reason, someone saw fit to change that. I am not against change if it is going to improve things, but I would like the minister and the deputy minister to give me an assessment of what they think has happened since the reorganization that could persuade me it is a worthwhile undertaking.

On the basis of my observations of the way in which the ministry now conducts its affairs and on the basis of the morale I find within the ministry, I would have to say it has gone downhill. I am wondering if you two gentlemen agree that and whether or not you are rethinking your entire situation with regard to the employment of human resources within your ministry.

What are you going to do to bring the forestry component of your human resources up to full complement so we can get dedicated people out there to manage forestry resources?

When you consider that 75 per cent of all of the economic activity in all of northwestern

Ontario is directly or indirectly related to forestry, you can understand my concern and the concern of everyone I represent. I want to get into it in more detail, but I would just like to see whether or not you agree or disagree and why.

Hon. Mr. Pope: First, with respect to morale, I have spent a fair bit of time travelling around on my own, talking to individual employees and going to functions where you can get a more relaxed point of view.

Mr. Stokes: I sense that and that is good. I sense that.

Hon. Mr. Pope: I have a feeling that in a couple of places there are some problems with a couple of groups. We are trying to leap beyond the structure and deal with it in person to person terms. We are trying to indicate to people that the deputy and myself are prepared to, in informal and off the record ways, listen to what the employees in the field, who are dealing with frustrations and who get communication on a more personal level on people's reactions to our programs, have to say.

In terms of general esprit de corps, I think it is fairly good. I cannot compare it, because I have not been there long enough to compare it with past times. I think there is better co-operation among branches at both the head office and the field level than there has been in a long time.

That started off with the new approach we took to forest management agreements involving the fish and wildlife and the parks people at both the district level or regional level and the head office level. I think that has had a positive impact on understanding one another. I sensed that to be a problem between branches when I got there.

I think the land use planning programs have also given our employees a chance to get together and talk to the people. We have been able to pull field people down to work with us on presentations and to discuss some of the local issues with interest groups. We have been trying to do that as well—pull them down here to meet with me or with the deputy when the occasion arises.

I think they feel they are more part of the process down here. In that sense, I think they are feeling better about it, but naturally they are concerned over a number of specific instances.

We have not really been discussing those things in detail with the field staff. They get questions from people so it is normal that they be anxious to try to find out what is going on and if it has any implications. It does not, but I guess

what I am trying to say is I sense the spirit and morale is good. I am trying to do my best personally to get involved in that aspect. When they get together in ministry-wide groups, in anything I have been at they are rather good humoured and very upbeat times.

Mr. Stokes: Why do they move so often?

Hon. Mr. Pope: A number of Ontario resource technicians move in and out because some of them are on nine-month or eight-month contracts and they see an opportunity to get full-time work in other sectors or with other governments.

Mr. Stokes: I am talking about foresters.

11:20 a.m.

Hon. Mr. Pope: There is competition in the private sector for foresters. I got to know quite well a couple of foresters who did end up going to the private sector for a number of reasons that I do not think involved me or the ministry, although they could have. We have a promotion system within the structure as well, and then our collective bargaining relates to bidding. Bidding opportunities for advancement are of some concern to foresters too.

There is a flow in and out, which is probably greater than it has been in the past. I have not heard it expressed to me that it relates to some dissatisfaction with management in the ministry or any activities of any minister at any time. I do not think it is really going to change.

Whether or not we need additional foresters, it is probably to the extent of the additional need. That cannot be determined yet under the forest management agreements. A number of forestry functions are shuffled off to the companies which will need more foresters.

In some aspects of the forest management agreements the role of the forester is going to change to one of an audit and performance testing function with a lot of new aids we have, including ultraviolet photography, which will be able to analyse reforestation successes or activities. It will also include things like satellite computer data sheets. There are some changes coming in their role in the ministry and that may be providing some cause for reflection for foresters.

Mr. Stokes: Where there is a recognized need or a complement, say of five, to take care of a particular land base and where you are down to two, have you made a comparison between the number of square miles that a professional forester can be realistically expected to have

supervision over as opposed to those figures in other jurisdictions?

I have some figures for British Columbia, Alberta and the western United States, where in large measure a lot of those forest areas are in private hands, like Boise Cascade and a lot of companies that to all intents and purposes manage their own land base. That happens in the K. C. Irving holdings in the Maritimes.

If I said Joe Blow is a professional forester in Sioux Lookout, Red Lake, Dryden, Kenora, Swastika or wherever, if you make a comparison of the number of square miles he should be expected to realistically supervise as compared with another jurisdiction, whether in the private or the public sector, I am sure it does not far too well by comparison. Would that be an accurate statement?

Hon. Mr. Pope: I would assume that statement could be made. I think there could be arguments made on the other side. I think a complement of foresters is pretty well being maintained at a constant level. Over a period of time there may have been some adjustments between districts. I hope they are not all pushing papers. I do not have the figures we gave you last year at my fingertips, but I think we indicated about 230 or 240 of the 288 were out in the field in the district offices.

Mr. Stokes: Or in transit.

Hon. Mr. Pope: I would presume they are carrying on field activities. There is no doubt that in some districts at certain times some foresters have a large area to cover and they are having difficulty covering it.

Mr. Stokes: Does that concern you?

Hon. Mr. Pope: Yes. We are hoping the forest management agreements and a number of other changes in programs are going to be of assistance to them. That is why I referred to it earlier as a change in some of their functions with respect to forest management agreement areas.

Mr. Stokes: That concerns me. You made a statement that with the FMAs the role of the forester is going to change significantly. Rather than being out in the field actually managing and monitoring what is going on in the field and making suggestions to the operator or licensor, you see his role changing to that of being an auditor.

Forgive me and correct me if I am wrong, but I can pick up a forest management agreement as any reasonably intelligent person can do, and say: "This is the intent of the agreement. This is what it means and these are the conditions

under which this forest management agreement will go through the five-year operational plan, the management plan up to the 20 years of the agreement and the renewals that are built in."

I am sure anyone in this committee room could do that monitoring if he had someone out in the field to say: "Yes, this has been adhered to. Yes, the intent of the agreement is being lived up to." I do not think you need to be a professional forester to make that determination, but I think you have to be a professional forester to be in the field on an ongoing basis to make sure the information going into your data bank is in keeping with that auditing, that kind of bookkeeping or administrative role.

If the foresters are going to manage, as they do in Scandinavia, the western United States and in the Maritimes with the K. C. Irving holdings, I am sure the reason they enjoy the success they do is that they have foresters in the field who are monitoring and in a real sense managing the forestry resources. It bothers me to hear you say that now, with the signing of these forest management agreements, a lot of your professional foresters are going to be sitting behind a desk somewhere reading computer printouts.

Sorry, I am told I have a group visiting. I will have to be away for a while.

Hon. Mr. Pope: Maybe I will give a reply and you can take some notes, Mr. Laughren. I can probably drag it out if Mr. Stokes is going to be away for five minutes. I have been known to do that before to accommodate members.

Mr. Chairman: Could we wait until he comes back and perhaps go on and see if there are any other questions. Does the committee object to that?

Mr. Riddell: I have a small question on personnel, if that is what we are on.

Mr. Chairman: Is there any difficulty with that? He is going to ask you a question on personnel and we will come back to Mr. Stokes when he returns.

Mr. Riddell: Last night during the debate on the interim supply motion information was given that there is somewhere in the neighbourhood of 48 information officers with the Ministry of Natural Resources—48 or 42, I forget what the figure is.

Is it true there are that many information officers with the ministry? If so, how does the ministry justify that number of information officers? What in the world are these people doing?

Hon. Mr. Pope: Are you talking about page 12? You will see on page 12 that there are 22. That compares to 21 in the previous year. It is at the bottom of page 12 in the estimates book. That includes the clerks and typists.

Mr. Riddell: I am just quoting a figure that was used in the House last night. I thought when I came into committee today I would ask about that to see if it is an accurate figure.

Hon. Mr. Pope: I do not think it is ours. The only information I have is the 22 figure, and that includes typists and everything else.

11:30 a.m.

Mr. Chairman: Is there anything else in vote 2501?

Hon. Mr. Pope: I just want to deal with a few issues that were raised.

First of all, by audit function I did not necessarily mean there would not be field audits carried on. By audits I mean performance audits. In other words, cutting activities, regeneration activities and site preparation activities have to be audited. By that I mean field inspections.

I was trying to indicate, for instance, in terms of regeneration activity and its success rates, we now have available new technology that could substantially change the amount of time our professional foresters have to take to travel around and look at different areas, observing if regeneration had taken place and verifying whether or not it had been successful.

There is a book that has been put out on this, and I will make it available to Mr. Stokes and the members who are interested. It shows the technology of infrared photography by which an aircraft can fly over thousands of acres of land taking photographs and in a week accomplish what a field inspection would take months to do. Using infrared photography, they can tell whether or not an area has been replanted and can go back to audit success rate in subsequent years. That is what I was indicating.

That kind of translation of information accumulated, using other methods, would now be something that foresters would have reference to in auditing performance under the terms of the forest management agreements. Having said that, it does not mean at all that there would be no field inspection trips, or trips out to the areas of the province that are under licence. The net result of the whole system could be more time available to do the intensive field inspection and audit of the harvesting techniques out in the forest management areas, as opposed to some of

the other work. The net impact on the foresters could be a beneficial one.

Undoubtedly, forest resource technicians will perhaps be in charge of some of this translation of infrared photography and satellite data material, to make that available to the foresters in the future. We are flexible in terms of what we are looking for in future additional professional foresters. We do think that some of the additional forestry activities, because of the FMAs, will involve foresters in the private sector.

The federal forest sector strategy report claims that there is an impending shortage in the number of foresters because of all the new programs coming on stream. That is in recognition of the fact that the firms engaged in forest management activity will need more and more foresters at their beck and call.

I understand the concern Mr. Stokes is expressing, and it is one he voiced last year in the estimates. It is our hope that we can get more of the actual field work done by the foresters and make some adjustments in complements in areas of high activity.

Mr. G. I. Miller: Mr. Chairman, could I ask a supplementary there?

Mr. Chairman: Mr. Riddell was ahead of you with a supplementary on that.

Mr. Riddell: I have no supplementary. I am still on the main point.

Mr. G. I. Miller: I was just wondering about the photography you are using in the north. Is that used in southern Ontario at all?

Hon. Mr. Pope: It could be used in the south as well. I will get you the book, if you would like to see it.

Mr. G. I. Miller: I just wondered if it was being utilized.

Hon. Mr. Pope: It is not being utilized anywhere. We have just been researching the technique. We are about to implement it.

Mr. Kolyn: Where have they been using that technique?

Hon. Mr. Pope: All we have been doing is flying test runs with it now. We just have the technical data and the process together. We published it just three months ago.

Mr. Kolyn: Are we the first to be using this infrared photography, or is it being used in other jurisdictions?

Hon. Mr. Pope: I guess we are going to be the very first.

Mr. Riddell: As you are well aware, Mr. Chairman, the committee met with the Ontario

Mining Association this morning. During the course of our discussions it was suggested by the members of the miners' association that MPPs take a trip into northern Ontario to view firsthand the mining and forestry operations and all the great activities that are going on in northern Ontario.

At one time, it is my understanding—and this is before my time, so it had to be before 1973—an annual trip was arranged by the Ministry of Natural Resources for members to go into northern Ontario and become somewhat acquainted with the industries in that part of this great province. That type of program has certainly not taken place over the last 10 years, and I am wondering if the minister would give some consideration to reinstating it.

It is not just the members from southern Ontario who are interested, it is the miners themselves who are suggesting we get out of the Legislature and into northern Ontario to view firsthand some of the operations in that part of the province.

Hon. Mr. Pope: We have had some preliminary discussions about this. Mr. Laughren and I have had very extensive discussions. We are prepared to put together either a six-day package or a 10-day package. It appears that the best available date will be September 1983, but we are willing to plan it now. What we would like to do—and this is going to be discussed in your caucus soon—is have you select what items you would like to see. Then we will plan the details of it.

We can meet with some of the native community leaders about some of their fishing problems and some conservation officers from the other side. We could go through some failures and some successes in terms of forest activities by certain companies. We could look at different clear-cut techniques in reforestation and we could look at different types of mines. There are a number of options.

What we have opted for is that both the Liberal and New Democratic Party caucuses have discussions about the timing of the trip and also what items are of most interest. We have already decided we are going to sponsor a trip.

Mr. Riddell: So I can go back to the caucus and say the minister is definitely planning a trip, probably some time in September 1983, and that we will set forward some suggestions as to what we would like to see?

Hon. Mr. Pope: And how long you want to go for?

Mr. Riddell: That is good. It seems to me that we have heard Bob Nixon get up in the Legislature year after year and talk about reinstating this program, but nothing ever seems to happen. It seems to die there. Hopefully, the minister will bill in that portfolio by next year and we will have a trip to northern Ontario.

Mr. Kolyn: It sounds great.

Mr. Chairman: The minister did respond, and some of the information will be on the record. We might be able to get back to it under forestry which we are going to start. Tomorrow we will go into forestry and mining for the rest of the estimates.

Mr. Stokes: Yes, I want to get into it. Floyd Laughren has filled me in on the minister's comments in clarifying what audit actually means. I accept that, and I am glad to have that clarified for me.

One other thing I want to get into—

Mr. Williams: I would like to interrupt for a moment, if I might. I want to get a clarification from the chairman. I thought I heard the minister say that after today the rest of the estimates would be spent on forest management.

Hon. Mr. Pope: Forestry and mining. That is most it, is it not? Half an hour tomorrow?

Mr. Williams: I'm sorry, Mr. Chairman, but we have not even touched votes 2501, 2502, 2503 and 2505. We are going to have to take away from that time in order to balance it off properly. We have spent all this time on vote 2501, and there is a lot to be talked about on vote 2502.

Mr. Stokes: What do you want to talk about?

Mr. Williams: There are things of interest I want to talk about.

Mr. J. A. Reed: I've got three major issues I want to talk about.

Mr. Laughren: Whatever John Williams wants. You have the majority, you decide.

Mr. Williams: We have listened to you for seven and a half hours. I think it is time the democratic process started to surface so that other members have an opportunity to say a word or two, if we dare.

Mr. Chairman: If you are addressing the chair, my understanding of the discussion last night was that you wished the chairman to try, as best he could, to come up with a two thirds, one third split on mining and forestry.

There was also some mention of eight hours. At that time it was in the context of 12 hours

being left at 8:04 p.m., and I think we did carry on for another hour in there. The chair will proceed any way the committee wishes. My understanding of what went on last night is that you did wish to spend approximately two thirds, one third and there seemed to be some form of unanimity on that.

Mr. Williams: That is quite true, Mr. Chairman.

11:40 a.m.

Mr. Chairman: That would, in my opinion, suggest about seven hours on vote 2504. We are covering some of that now. If you wish to proceed that way, I am at the direction of the committee.

Mr. Williams: Mr. Chairman, I think what you are saying is quite true, but I think Julian Reed would agree that was on the assumption that the time allocated to the other four votes would be somewhat on equal terms as far as time distribution is concerned.

I know Mr. Stokes was not here last evening to learn what decision was taken as far as consensus of the committee was concerned. The suggestion that vote 2501 would take up three of those four hours was beyond the realm of the thinking of the members of the committee. I think they were going to fairly allocate the time for the other votes so that the members from the north would have more than enough time to deal with vote 2504. I just want to clarify that for Mr. Stokes and also to ensure that we have ample time tomorrow to deal with the other three remaining votes before we give the balance of the time to 2505.

Mr. J. A. Reed: I think one of the understandings was that the chairman would keep us advised as to just how much time we had left in this segment as well. I have not really had an indication from the chair as to how much time we do have left.

Mr. Chairman: In my opinion, if you want to go strictly by the time and on the two thirds, one third, I would suggest that you have an hour and 15 minutes on everything other than vote 2504.

Mr. J. A. Reed: I would suggest we get on with it, Mr. Chairman.

Mr. Williams: I think we should add another hour.

Mr. Kolyn: I think it is fair to point out that Mr. Laughren was on main office and so was his counterpart last night for most of the time. Main office would not take nearly that long except

that they interpreted it to have quite a broad base and they went into other things.

Mr. Laughren: I did not speak to the main office at all last night.

Mr. Kolyn: Mr. Wildman did. I am just saying you spent most of the time on main office; you did not even touch anything else.

Mr. Laughren: No. Most of the time was on the minister's response. Point the finger at the minister, not at the opposition. The minister was filibustering.

Mr. Williams: I would suggest that we add another two hours to the other remaining votes and leave the time remaining for vote 2504. I think that will more fairly balance it off.

Mr. Chairman: One of the difficulties with saying you are going to have this and you are going to have that is that when you cannot live up to that, then you have to discuss it for half an hour or two to reorganize the time.

If you would leave it with the chair to try to approximate the time two thirds, one third, I do not mind allowing some consideration to the amount of time spent on vote 2501 as being more in the forestry/mining area. If you can accept that from the chair, then I would suggest we can apportion the time in that way without losing a half hour every time we have to discuss what it is. If that is acceptable to you, I would suggest that perhaps we can allow more than one and a quarter hours before we get into vote 2504. I hate to set a specific time on any particular vote because we will be into the same problem again. That is my suggestion.

Vote 2501 agreed to.

On vote 2502, lands and waters program; item 1, conservation authorities and water management:

Mr. Williams: Mr. Chairman, there are a few things I would like to discuss there, if I might, relative to conservation authorities.

Mr. Stokes: Well, speak to it. You are filibustering. Do you know what a conservation authority is?

Mr. Williams: Mr. Minister, I found the opening statement you made of considerable interest. I think it was appropriate that you started off your statement with the reference to the overall activities of the ministry as reflected by your land use planning program.

I think it is deserving that full credit be given to the ministry for the extent of the undertaking. As you cited in your statement, it is probably the most complex and comprehensive undertaking

of its kind in Canada. You suggest it is one of the largest-scale efforts of this type in the world, which I think is a commendable effort. Not only is it comprehensive, but extremely detailed, and all of the other aspects of the activities of your ministry fall one way or the other under the land use planning program.

I mentioned last evening that traditionally the estimates emphasize the activities of your ministry in the north. One has only to look at the various topics that are headlined in your estimates, such as the employment of people in the resource industries, the building of roads in the north, forest management, mining, discussion of what your ministry is doing with the fire season and improvement of fisheries and wildlife in the north, to realize that, understandably, a great deal of emphasis is on activities that—

Mr. Stokes: What has that got to do with vote 2502, item 1?

Mr. Williams: You will hear in a few moments, if you will listen, Mr. Stokes. It took your colleague an hour to get to a point last night before we realized what he was talking about—

Mr. Stokes: He is the lead-off speaker. Now we are into specifics.

Mr. Williams: —and also your other colleague beside you. If you want to act as boorish as your two friends did last evening, be my guest.

Mr. Chairman: Order.

Mr. Stokes: We went away from the main vote to get into vote 2502, item 1.

Mr. Williams: You were talking for an hour and a half, Mr. Stokes, without my interrupting you. If you want to play the role of the boor like your friends tend to do, do so, but that is not normally your style.

Mr. Chairman: Order.

Mr. Williams: If you would like me to continue—

Mr. Stokes: You asked to be specific and we are allowing you an opportunity to do so. I just want to remind the chairman that you are not.

Mr. Williams: I am going to continue. If you want to keep interrupting me, you can. I can run up the clock for the next eight hours if you wish me to do so.

Mr. Wildman: I have never heard you speak at length about anything.

Mr. Williams: I am sure you wouldn't. All you do is hear bells ringing as you did last night which is understandable. Maybe you were out

counting your expense sheets to see where you went wrong this time.

Mr. Chairman: Mr. Williams, perhaps we could ignore the interjections and get on with vote 2502.

Mr. Williams: It is too bad some people are more anxious to spend money than to serve the people in Ontario as to how they—

Mr. Wildman: How far across is your riding? You are talking to two people with two of the largest ridings in the province and you have the gall to talk about expense accounts?

Mr. Williams: I sure have.

Mr. Chairman: Order. He is talking to the chair on the Natural Resources estimates with regard to conservation authorities and water management.

Mr. Williams: Mr. Minister, as I was saying, I appreciate and understand the emphasis that is given in your statement to these matters, but I suggest to you that you are probably displaying in undue amount of modesty in the role you play in other areas, particularly working with the conservation authorities. Of the 35 that operate primarily through southern Ontario, probably you do not take as much credit as you should for what activities are taking place in that area and the backup and support you are giving to the conservation authorities.

1:50 a.m.

In other areas there have been governments who have felt they needed to fly the flag to get credit for financially contributing to an undertaking by another level of government. I think you have gone to the other extreme and have not taken the credit you should have.

This particular area of activity is of great concern to the people in southern Ontario. It is probably the greatest part of your program that affects the most number of people in Ontario. It is interesting to note on this vote that it is the second highest price tag of your whole ministerial activity. As I look at the estimates, I see a price tag of \$43 million. The only one that ranks above that in cost is the forest management program, which is some \$92 million. Obviously this is a very significant program in which you continue to play a low profile, yet an all important profile.

I think we lose sight of this in going through these estimates because the emphasis is given to the northern activities. I must point out to you just how important the conservation authority program is to us here in southern Ontario, and in

particular to people within the Metropolitan Toronto area, people I represent.

Very few people understand and appreciate that so much activity in your ministry is directed towards providing facilities and resources that benefit the people within our large Metropolitan Toronto complex. In particular, I want to note you are trying to educate people as to the activities going on through your land use planning undertakings and the public meetings you are holding throughout the different areas.

I notice from your opening statement that you are continuing your open house programs in the southern districts. I am not sure, and perhaps before I go on, you could indicate what open houses are going to be held through the coming summer months within the Metropolitan Toronto area. I think this would be of some interest to the members who represent this area, particularly as they will undoubtedly deal with those aspects of land use planning that relate to the activities of the conservation authorities. Could you indicate what the situation is there?

Mr. J. A. Reed: On a point of order before we go on, Mr. Chairman. Did you set up any ground rules as to whether or not the opposition critic gets any order of preference when it comes to commenting on these votes?

Mr. Chairman: I think I have. We started off with the minister and then the opposition critics. As we get to each item, we normally try to get into that area. On vote 2501 there seemed to be some consensus that we wished to discuss them all in different orders. As far as the estimates go, the members of the government party on the committee seem to run out of time when we get into anything, so I have also tried to follow some form of rotation to give everybody an opportunity to speak on the items.

Mr. J. A. Reed: As a matter of courtesy, I just wanted to know where we stand. Traditionally in estimates, the critics on these votes are required to lead off in the order of the opposition critic, then the third party and so on. I bring it to your attention and let you rule on it as you will.

Mr. Chairman: I have never been involved in a set of estimates in my short career where the order followed the traditional pattern for one reason or another. With due consideration to the opposition critics, I have tried to allocate most of the time to them. At the same time, I have tried, as fairly as I could, to apportion a little bit of time to those who are not the official critics from all three parties. I think I have been

relatively successful in doing that and I hope that by the time these estimates are over you will concur.

Mr. Wildman: Mr. Chairman, I think you are a wonderful mediator in the "bore" war.

Mr. J. A. Reed: Now there is the pot calling the kettle black.

Mr. Chairman: I certainly will bear your comments in mind. I would like to carry on with the train of thought we had. I appreciate your comments.

Hon. Mr. Pope: The land use planning process in southern Ontario is the co-ordinated land use strategy. We have been putting out background documentation. I think I see a copy here of the southern Ontario approved background document or regional strategy. In addition to that, we have been putting out background information sheets or publications in each of our administrative districts. We have been having open houses to allow people to examine that information. Based on that, we are going to try to develop strategies to see if there are some inaccuracies in it.

After that, we also have some district strategies, targets and program goals we have identified. We will have a series of open houses in southern Ontario. At some point in regional centres around the province, we will also have a re-examination of the regional strategies, including a meeting in Metro Toronto which will re-examine regional strategies in light of district meetings. We will also use some regional centres, including Metro Toronto, to have some other forms of meeting concepts where we can try to bring forth conflicts, and perhaps hopefully resolution of conflicts, as part of the consultation process.

The form in which they will take place has not been determined. We have not wanted to lay that out yet until we have the series of open houses where individual citizens can have the maximum input. Then we will develop the next step.

With respect to the background information and the regional strategies, we had an open house on June 14 at the North York Board of Education. We will be pursuing further open houses in the Metro Toronto region and will advertise them in the Toronto newspapers so everyone will be aware of them. Previously what we had done was advertise the entire schedule through newspaper advertisements. We will be more specific in the Metro Toronto region because we would like to get the viewpoints of

individual residents of Metro Toronto, not only on the regional issues around this community but also on some of the broader issues.

Mr. Williams: What was the response to the meeting the other evening? Have you had any feedback on that?

Hon. Mr. Pope: I have not had reports in, have not really had time to read reports, although the meeting started May 31. We have been getting attendance reports. The attendance has been quite high in northwestern Ontario, with many hundreds coming out to Thunder Bay.

Mr. Stokes: I attended one last week in Nipigon. It was very well attended. There was a lot of interest.

Hon. Mr. Pope: Even if it was not well attended this time, you will see quite an interest by the time it builds up steam towards the end of the summer and into September.

Mr. Williams: In the smaller populated communities, notice of that type of meeting gets much greater attention than it does in the large metropolitan areas. I could well appreciate that you would have greater attendance in the northern areas. I am hopeful that this process will continue and that more people will become aware of those opportunities in the south.

12 noon

If I could, Mr. Chairman, I would like to develop with the minister some concerns I have. I know you are not unmindful or unaware of them. Just by way of historical comment, may I remind you of just how active one of the conservation authorities has been. That, of course, is the Metropolitan Toronto and Region Conservation Authority, with which I have had some association over the years at the municipal level. It is an authority which had been given mandate back in the 1970s to participate in very ambitious waterfront development program.

I guess it became of such large magnitude that it was the conventional wisdom that they divided the program into two components. They soon came to realize that they not only had to deal with the developmental aspects of the program but also with the shoreline management aspect of the undertaking. One without the other would not succeed as a whole program.

It appears that, with the blessings of your ministry, the authority has accepted this two component approach. The lakeshore development program is being designed specifically to create a "handsome waterfront"—a term that has been used—balanced in its land use design.

to complement adjacent areas and taking cognizance of existing residential development, while making accessible, wherever possible, features that warrant public use.

Then there is the shoreline management aspect of it, which is equally important, although I think it is probably receiving attention on a two-to-one ratio on a cost-factoring basis, if I am not incorrect.

Mr. G. I. Miller: Is it \$2 from the province and 1 from the municipality?

Mr. Williams: No, it is a 50-50 cost-sharing basis. However, the funds allocated by the province and the other 50 per cent provided by the participating municipalities seem to be giving a third of that money towards the shoreline management aspect of the program and two thirds to the waterfront development program itself. The shoreline management program is designed specifically to prevent, eliminate or reduce the risk of hazard to life, while being cognizant of the natural attributes of the lakefront setting. There are two well-defined areas of operation.

If I might point this out for the benefit of interested members, some \$45 million has been put into the program over the past 20 years. I presume I am correct in saying that some \$22.5 million would have been from the provincial source. This indicates the magnitude of the program. The authority can take credit for its accomplishments over that period of time. As you know, they are embarking now on an ambitious new 10-year program, which has been designed and developed and is awaiting the green light of the ministry in large measure.

Mr. Minister I know you are not totally mindful of the fact that they are moving into this new phase of their programming. I do want to point out to you that with their projections and cost needs past experiences dictated that everything had to be done on a long-term basis so that they could make plans and commitments in an orderly fashion. This new undertaking is an exception to that rule. I believe they have put forward a new five-year plan specifically for the waterfront development project and a two-year program for the shoreline management project.

As far as the cost of the program is concerned, I understand that the authority is looking for a works program in 1983 that would be cited out at somewhere around \$4.3 million. Again, coming back to the point Mr. Miller asked about, \$3.2 million of those dollars would be allocated to the developmental portion of the program and \$1.1 million to the erosion and

bank stabilization work under the shore management aspect of the program.

My understanding and concern is that this program continue to be given the support it has in the past. I understand, however, that some constraints have had to be applied here, as I am sure there have been with other conservation authorities as well. My main concern is that the constraints imposed at this time, while a hard look is being taken at the overall program, are such that the budget requests for this year have been held down somewhat in the area of half of what was being asked for. The time parameters for which approval is being sought have also been cut back by approximately that percentage, which I am sure is putting some stress on the orderly processing of the matter.

I would be interested in knowing what the present working level liaison arrangement is between the ministry and the designated authority to ensure that there will be continuity here and that any financial adjustments will not be too stark as to impair the progress of the program. Perhaps you could comment on that. Then I have just one other area I want to go into on this.

Hon. Mr. Pope: First, I think the Metropolitan Toronto and Region Conservation Authority gets about 30 per cent of the total allocation in the central region. We break down the conservation authority funding into regions and then, within each region, we start allocating between authorities for the base funding. Then we have supplementary funding for projects based on priority ranking.

The Metro region allocation recommended for 1982 is \$4,964,435.

Mr. Laughren: The chairman has a lot of clout in the conservation authorities.

Hon. Mr. Pope: Of that, the special project allocation for the Lake Ontario waterfront is \$1.4 million. That has been, as the member indicated, a long-standing program.

I guess the problem we have in terms of additional allocation above the base, on a special project basis, is that we have to assess priorities on a year-to-year basis. For instance, a situation such as we have in Port Hope, where we have regular flooding potential and a very difficult and expensive channelization and land acquisition program, has to take priority.

There is a very difficult and controversial exercise going through it. Many conservation authorities would like to have that dedicated

funding for an extended period of time to carry on with their projects.

The Grand River authority is in the middle of a project right now in Brantford that could go on for three or four years. At the same time, they have a program in Cambridge where they have the municipal council ready to go to the Ontario Municipal Board for commitment of funds on their long-term debenture. At the same time, they would appreciate having some long-term commitment from the ministry.

12:10 p.m.

The problem is that takes away all your flexibility should you be in a position to develop acquisition and construction programs with respect to urgent flood hazards. For that reason, we have not been able to accommodate the many requests we have had for long-term dedicated funding. We are having a look at that whole issue right now. We are trying to see if we can find some way of giving some commitments within narrower parameters than perhaps the authorities would want.

We are interested in lakefront, stream and river issues in flood control; that is our priority. We are also interested in erosion control, and that is another priority. We are trying to allocate our funds to those areas that have urgent need of flood plain acquisition because the costs of land are going to go up, generally speaking, and the costs of this construction work is going to rapidly escalate. The sooner we can get some of these urgent problems out of the way, the better we are going to be.

It is true that Metro Toronto, as I say, asked for a five-year commitment of funds. I think it was in the neighbourhood of \$12 million. We could not give them that five-year guarantee because we saw the requests coming on stream from heavily inhabited areas that had rivers and streams with some flood potential coming on as projects. We are hoping we can accumulate all of these long-term funding requests—we have started to do it—analyze some priority and hopefully come up with some system which can give some help to the communities that are going out and making long-term commitments.

We realize that once we undertake a project, it is very difficult to stop in the middle of it and just leave it there, particularly when they are doing channelization, as has to be done on the Grand River, and particularly when they are doing flood proofing and diking or construction of berms. Once you start, you have pretty well got to go through with it.

We are very worried we are going to get

involved in long-term five- and 10-year commitments and then find we are not going to have the flexibility to get involved in new projects. Therefore, authorities that have been behind in their flood plain mapping or in their flood control programs are going to be left out. That would cause some difficulties in terms of the hazards those inhabitants in those flood areas are facing.

Mr. G. I. Miller: Mr. Chairman, could I ask one supplementary on that? Would you consider expanding the guidelines of the Metropolitan Toronto and Region Conservation Authority for shoreline protection and the well-organized plan to protect the shore to other conservation authorities? We did not meet the requirements of a conservation authority within the guidelines that conservation is protecting assessments and protecting property. I feel it is a good plan but in our particular area with our shoreline problems, a lot of money has been spent, but not in an organized fashion.

Mr. Williams: Don't you have a conservation authority down there? What is the name of your conservation authority?

Mr. G. I. Miller: Long Point Region Conservation Authority and the Grand River Conservation Authority. There is a division there.

The minister is probably aware of Grand River and Port Maitland. There is a flooding problem there from Lake Erie when the winds get in the right direction. It forces it up and it can raise it up as much as six feet. Last night we were in Port Dover to see "Billy Bishop Goes to War," which I might indicate was a pretty spectacular movie, and the water was up and running over the harbour at Port Dover last night with a strong southwest wind blowing.

I don't assume there is any damage to Port Maitland, but winds can raise the water extremely high there and they do need help. In the long-term plan, I recognize a study is being made at present and we intend to follow it up. I think it needs some leadership from the conservation authorities and from the minister to put a little more emphasis on that protection. We have these problems from Port Burwell to Long Point. There has been money spent there but not in an organized fashion. I think that could be another item.

Incidentally, there is a symposium—I don't know whether you are going down tomorrow or not—at Port Burwell to discuss the possibility of developing that town and those little ports along Lake Erie to encourage more use of that area by

the general public from Toronto and elsewhere. I do not know if you are going down tomorrow or not, Mr. Williams. I just want you to take the opportunity—

Mr. Williams: Certainly, shoreline management is important to all those authorities that have lakeshore frontage. What is your authority, Mr. Reed?

Mr. J. A. Reed: Halton Region Conservation Authority.

Mr. Williams: I do not minimize the percentage of the funds in it and the resources that have to be directed towards flood control and shoreline management as a package.

I want to come to this concern because it is unique to the Metropolitan Toronto area, which is the most heavily populated sector along the shoreline.

Mr. J. A. Reed: I do not think it is any more heavily populated than the Burlington or Oakville area.

Mr. Williams: I think it is concentration-wise within a smaller parameter. I am not suggesting you do not have heavy population because you do. I think this aspect of it is common to your problems as well.

There are social pressures I want to speak about. Other members are speaking about areas of the province where vacation land Ontario is really on their doorstep, right next to them. It is not so readily accessible to the people in the inner cities. I think conservation authorities have given recognition to this.

Certainly, the Metropolitan Toronto and Halton Region Conservation Authority has been through this waterfront development program trying to address that problem and make recreational facilities available in a meaningful way to this large concentration of people. They just do not have the same ready access.

It is interesting to note this is the main emphasis of the waterfront program. It recognizes the greater emphasis that is being given to leisure-time activities and recognizes the proximity or lack of proximity of recreational opportunities to people living in larger communities, whether it is Hamilton, Burlington or Metropolitan Toronto.

The potential is right here on our doorstep, and this is what the Metropolitan Toronto waterfront development plan is all about. The development of the five major projects along our own Toronto waterfront, Petticoat Creek Conservation Area in Pickering, Humber Bay Park in Etobicoke, Ashbridge's Bay Waterfront

Area in Toronto proper and Scarborough Bluffs Park are very significant undertakings.

These five-year programs and the past 10-year program are directed towards these very costly but necessary projects. I think it is important to be assured that these programs will not be put in jeopardy. I am sure that is not the case, but I just want to impress upon you that this is a growing social pressure in our area. It demands that the programs not be delayed too much beyond their original schedule so these recreational complexes can be brought to full fruition.

To point out the significance of this on the economy and the social activities of the people of Metropolitan Toronto, the information I have is that the benefits that flow can be considerable. One area is sailing, and that is what Bluffer's Creek and Humber Bay are primarily designed to accommodate. Up to now, all we have had are the Toronto yacht clubs and the Queen City Yacht Club operating out of private facilities.

Now a great opportunity has opened up for many more people to engage in a very constructive leisure-time activity. You are one of them, Mr. Reed, because I met you at Ontario Place last year sailing your boat. Maybe it wasn't yours; I think you had just sailed from the jurisdiction of your authority to our area.

12:20 p.m.

This might interest you. It is a statistic I picked up, and it may be of interest to all members. It is estimated that there are about 1,200 boats presently moored at the authority's developed waterfront areas within the Metropolitan Toronto area. From an economic point of view, these boats are apparently valued at around \$20,000 each, representing a spending of \$24 million, which is a fair injection of money into the local economy.

This is supplemented by significant annual spending for equipment and maintenance. It is anticipated, I gather from authority projections, that the ultimate value of expenditures by the boating federations on boating facilities at Bluffer's Creek and Humber Bay alone will be in the order of \$5 million.

These are, indeed, meaningful statistics that—

Mr. Laughren: It is time somebody pleaded for the yacht clubs. I am glad the member for Oriole is doing it. It has been a long time since I have heard this kind of plea.

Mr. J. A. Reed: As a sailor myself, I have to take exception to that because I do not believe the member, in fairness, was pleading for the

yacht clubs at all. As a matter of fact, he was pleading for facilities outside of the yacht clubs so that people of more modest means can afford it.

Mr. Williams: It was the same distorted vision that was applied at the time of the argument over the island issue when it was suggested that the elite make use of the island yacht clubs in existence and that only the monied and the gentry can participate in sailing.

That is a very false impression that one puts forward. I think it is an insult to people who like to engage in an everyday type of leisuretime activity. Some people, like Mr. Laughren, may like to play golf. While the capital investment in a sailboat may be a little more than a set of golf clubs, you can well belong to a golf club that is much more costly in the long term than being a member of a local yachting club.

Here is something opening up on our doorstep that has been needed for a great period of time—

Mr. Laughren: Mr. Williams is pleading for the unemployed who own yachts and play golf.

Mr. Williams: —a totally used recreational facility, completion of the facilities and then putting them to their maximum use. It is not going to be done without the injection of more personnel resources and dollars.

I know the authority here has very much appreciated the ongoing support of the ministry. However, I am expressing this concern. I am sure that a directive has gone out to pause and reflect on where we are going with this because of the minister's need to reassess and balance where he is going with other authorities, let alone the rest of the program. Nevertheless, I am seeking assurances that in principle and large measure this program will not be jeopardized and will proceed more or less on time and cost target, as far as meeting its totally planned objectives, which I think have the total backing of the ministry.

Perhaps you could elaborate further in that regard.

Hon. Mr. Pope: I am aware that all along the Lake Ontario-Lake Erie shoreline the conservation authorities have been pressing us, as have members and municipal councils, to get involved in shoreline protection work and development of recreational facilities. I appreciate the fact that there is a need for some involvement in that area.

We have been trying to alleviate some of the major flooding problems, and that includes

flooding along the shorelines of the Great Lakes. I perceive—and I think our conservation authorities and water management branch perceives—some difficulty in terms of allocation of funds or priority setting, if we were to put shoreline erosion control on an equal footing with flooding control.

What we have been trying to do on a priority basis is clear up the flooding problem areas. That includes places like Port Maitland where there is a problem. We have to try to assess that in the priority ranking with the other flood problem areas in the province. We have been trying to deal with it on the basis of the amount of property affected by flooding, the regularity of the flooding, the effect on public safety. We are trying to establish the priorities on that basis.

I think there are some concerns in the conservation authorities with respect to our priority rating and also our allocation as between program activities. It is true that in the last five years the conservation authorities and water management branch has reduced its contribution, or proportion of total expenses, for recreation activities from 25 per cent to 10 per cent.

Mr. Williams: Was that 25 to 10?

Hon. Mr. Pope: That is right. That has been in place now for the last two or three years. The reason that was done was that we saw things like the Port Hope problem that had to be tackled immediately. We did see some of the problems on the Grand River with the incidence of flooding, particularly in controlled water.

This does not mean that the recreational problems have been lagging. We have been using special projects funds and base funds to try to allow for the proper recreational opportunities, as we see them, to be developed. We have been trying to look at land rehabilitation as a recreational program that we are prepared to support.

Mr. G. I. Miller: Do you have any projection at all with regard to the percentage ratio? What is the ratio for shoreline protection in Toronto or Ottawa? Is there a ratio there?

Mr. Williams: It is pretty well two to one.

Hon. Mr. Pope: Yes, it is two to one.

Mr. G. I. Miller: For the shoreline area?

Mr. Williams: It is \$1.1 million for this year.

Hon. Mr. Pope: It is \$1.1 million. That is right.

Mr. Williams: There are two quick questions I want to ask the minister if I could before the time runs out. Then I will have concluded this

tem as far as I am concerned. I am sorry, did you want more information there?

Mr. G.J. Miller: No. I just wanted to know how the funding was arrived at and utilized.

Hon. Mr. Pope: Yes, it is basically \$1.1 million.

Mr. Williams: Mr. Minister, some time before the end of the summer recreational season, would you take the opportunity to visit, if you have not already done so, either of these facilities, Humber Bay or Bluffer's Creek? I think they are most impressive undertakings and would give you a much better appreciation of what is developing there.

Lastly, given the fact that you have more or less imposed a one-year time frame in which to reassess this whole thing, can I have the assurance that the program is basically going to remain intact and that you will have more definitive answers and approvals to give on this before your estimates next year?

Hon. Mr. Pope: First of all, I was at Bluffer's Creek. I went along the Scarborough Bluffs three weeks ago with some of the Scarborough Aldermen and the public works director from that borough.

We are in the process of reviewing the long-term commitments right now. We have no intention of cutting off anything that is presently in phase and continuing on into additional works.

Mr. Williams: There was a cutback. I hate to use that term. It is not cut off, but it was a significant cutback.

Hon. Mr. Pope: I cannot give you a guarantee that the conservation authority will be satisfied with its specific allocation or with the proportionate allocation of its grants, but I can tell you that by the end of the year we will have finished our re-examination of long-term commitment problems under the conservation authorities and water management branch.

In fact, we have been discussing that with Management Board even in the last couple of months. We can give you a commitment that by the end of the year we will have some clearer idea, in terms of the long-term funding, where we are going.

Mr. Williams: And that will be a positive response, I assume?

Hon. Mr. Pope: Hopefully.

Mr. Chairman: The minister has indicated that he is going to bring in some staff. On the basis of the information we talked about, I would suggest that I would be far exceeding the mandate if we went beyond tomorrow night on all the votes except 2504. If we can get to it tomorrow night, that will be fine, but I do not think we can go on tomorrow night.

At the three meetings next week, I think the minister indicated he was going to have staff here.

Mr. J. A. Reed: That would mean that tomorrow night possibly—

Mr. Chairman: Possibly we could into vote 2504 but not beyond.

Mr. J. A. Reed: —there may be some answerable staff regarding some specific subjects.

Mr. Chairman: I am saying that maybe we could get into vote 2504 tomorrow night. I think I would be far beyond any estimate of the mandate you have given me if we go beyond tomorrow night. I would like to carry everything but that some time tomorrow night.

Mr. J. A. Reed: I am all in favour.

Mr. Laughren: Mr. Chairman, in view of the minister's comments last night about the role of the parliamentary assistant, he would really want to be here.

Mr. Chairman: I guess Mr. Reed will lead off tomorrow night.

The committee adjourned at 12:32 p.m.

CONTENTS

Wednesday, June 16, 1982

Ministry administration program:
Main office. R-36

Lands and waters program:
Conservation authorities and water management. R-37

Adjournment. R-38

SPEAKERS IN THIS ISSUE

- Andrewes, P. W.; Vice-Chairman (Lincoln PC)
- Harris, M. D.; Chairman (Nipissing PC)
- Kolyn, A. (Lakeshore PC)
- Laughren, F. (Nickel Belt NDP)
- Miller, G. I. (Haldimand-Norfolk L)
- Pope, Hon. A. W.; Minister of Natural Resources (Cochrane South PC)
- Reed, J. A. (Halton-Burlington L)
- Riddell, J. K. (Huron-Middlesex L)
- Stokes, J. E. (Lake Nipigon NDP)
- Wildman, B. (Algoma NDP)
- Williams, J. (Oriole PC)



Ontario

No. R-15

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Resources Development
Estimates, Ministry of Natural Resources



Second Session, Thirty-Second Parliament
Thursday, June 17, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 10th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.



LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Thursday, June 17, 1982

The committee met at 8:20 p.m. in room 228.

ESTIMATES, MINISTRY OF NATURAL RESOURCES

(continued)

On vote 2502, lands and waters program:

Mr. Chairman: I see a quorum.

Mr. J. A. Reed: Mr. Chairman, we are on vote 2502 and there are some subject areas we would like to pay some attention to.

Recognizing and appreciating the fact that we are working under some time constraints, I will try to be as concise as possible. I would like, perhaps as we go, to get some clarification as to the subject areas.

I take it that under conservation authorities and water management we are probably talking about wetlands. In water management we are certainly talking about conservation authorities and their functions; we are probably also talking about the hydraulic-energy-related subject areas, and so on. Understanding that, unless I am corrected I initially want to bring up, under wetlands, a subject which has been put to me.

I would certainly like to welcome my colleague, the member for Victoria-Haliburton (Mr. Eakins), who has come in; also, I welcome to our midst—he is not sitting at the table—the parliamentary assistant to the Minister of Natural Resources, the member for Renfrew South (Mr. Yakabuski). We are very glad he is here and are much reassured that his stipend as parliamentary assistant does not go in vain.

In trying to get to this wetlands thing, and I wish to be brief, there is a broad subject area we address under wetlands. There are some 40 major wetland areas which have been identified in Ontario as being worthy of environmental assessment, which have been deemed worthy of preservation.

In this age we have finally come to recognize the value of wetlands. We all used to look on them as very nice places where wild flowers of rare species grew; where wild fowl lived, reproduced, and so on. All those things are of great importance to the people of Ontario.

However, we also recognize one additional value of wetlands we did not have before, and it

is a very fundamental, economic value. If we remove a wetland from a given area, we remove a water table, we remove the ability to produce agricultural crops in the hinterland and the surrounding area, and we take away from the surrounding area its economic value as land—we may add a building value, but that other value is removed forever.

So it seems to me that it behooves us to look upon the preservation of wetlands in the same manner as we look upon the preservation of class 1 agricultural land, if you like, or any enhancement of the productivity of the agricultural land we have in Ontario. Without those wetlands, we would lose a tremendous amount of agricultural land particularly, to say nothing of all the other values we have given to wetlands in the past. Now we can see its great economic value.

What we do with wetlands is not just esoteric, it is not altruistic; it is something that has real fundamental value.

8:20 p.m.

I would like to suggest to the minister something we suggested in the opening statement.

In agriculture we provide incentives through government grants for drainage by farmers who have land whose value can be enhanced in its productivity by draining it, by lowering the water table somewhat, so it will produce a particular crop or become more tillable in a greater number of years and so on. However, to this point we have not considered the economic value of wetlands to the extent that we would provide some similar kinds of incentives to those owners of wetlands for their preservation.

If I was a farmer in a wetlands area, or in a hinterland surrounding a wetland, it seems to me it would be in my interests to be just as interested in preserving the wetlands as draining them, provided I had an equal kind of incentive towards that end. At this point, the government does not provide that incentive.

If I had just one statement to make regarding wetlands, it would be a request to the ministry to seriously consider recommending equal consideration be given to incentives for preservation as are given now to incentives for drainage. If we could accomplish that, I think the problem

of land preservation would be resolved to a large extent.

We can go further and we can say wetlands should be subjected to environmental assessment, perhaps to class environmental assessment where you assess all of the wetlands. I can certainly concur with that sort of need as well.

However, the fundamental thing remains. When it comes down to the business of productivity, to the business of a farmer making his living on the land, a lot of these wetlands are surrounded by agricultural acreage and it is going to be necessary not to burden the farmer with having to subsidize the preservation of wetlands. It is about as straightforward as that.

I would like to move on, very briefly, to the conservation authorities. I will zero in again here, as concisely as possible, to an area of conservation authority mandate.

The conservation authorities are set up with an unbridled base, if you like, in terms of a framework or in terms of reference. Conservation authorities essentially have the power to describe their own method of operation and yet conservation authorities—

Interjection.

Mr. J. A. Reed: Perhaps I could finish by scenario, if you like. Conservation authorities are all given great powers when it comes to the areas they control so—

Mr. Williams: They are spelled out under the act.

Mr. J. A. Reed: Yes, they are spelled out under the act, but each conservation authority is allowed to disseminate its own authority through its own interpretation of what its mandate is.

Mr. Hodgson: There is the power of the municipality.

Mr. J. A. Reed: That is only part of it. I happen to live in a conservation-controlled area. I happen to live in a flood plain. I am very familiar at the firing-line level, that is at the practical operating level, as to just what happens in the relationship, for instance, between the conservation authority and the land owner, if you like, or between the conservation authority and those people whose future is directly affected by the decisions that are made.

Conservation authorities all have, for instance, the power to expropriate. Conservation authorities all have the power to trespass.

Mr. Hodgson: No.

Mr. J. A. Reed: Sure they do. I see an

honourable member here suggesting that conservation authorities do not have the power to trespass. Let me tell him outright that by order in council they do. I have a copy of the order in council sitting at home and I will bring it down to him if he would like to see it. I would be delighted to show it to him.

There is regulation through order in council and the mandate, the ability of the conservation authority to act as it deems fit, is built right in. The powers are very wide and yet the constraints are not necessarily there. In other words, there is no particular framework set up by the ministry other than what is in the act, no policy framework within which the conservation authority is required to act.

Some conservation authorities emphasize recreation, some emphasize flood control and some emphasize heritage. Some conservation authorities even emphasize conservation, but use the word "some" because I am not convinced every conservation authority is equally concerned with the subject of conservation. I think many of the conservation authorities might be better termed recreation commission or recreation authorities. If they are, and no one denies recreation is needed, one wonders whether those powers of expropriation and trespass etc., are really applicable to a conservation authority whose major interest is recreation.

I use that as a base of debate because I feel these powers are sometimes used for an end result which is not necessarily in the best interests of all the people. It might be in the best interests of the directors of the conservation authority and it might tend to make their action look very good.

Mr. Williams: Can you name the authorities before you make these allegations?

Mr. J. A. Reed: Well sure, if you like, I will name you one whose emphasis has changed over the years. My mother was one of the first directors of the Credit Valley Conservation Authority. The Credit Valley Conservation Authority has, fortunately, undergone some metamorphosis in the past recent years, but until that time some of its major work effort was devoted to establishing recreation areas and so on.

Mr. Williams: There is nothing wrong with them going through cycles. I am sure emphasis can shift from one period to another.

Mr. J. A. Reed: Certainly, but when one is under the control of the conservation authority and when one sees the method of operation

her conservation authorities, one has to understand what priorities are within their considered mandate, or the mandate they consider they have.

I am not satisfied that one conservation authority has given all of its attention to conservation; I know of some conservation projects that were begun but were terminated before they were completed in the name of economics, when other efforts went ahead to establish more recreation areas in the Credit Valley watershed. I am not at all opposed to recreation areas in the periphery of Metro Toronto, please do not misunderstand what I am trying to say.

Mr. Williams: Maybe in the first few years of their existence they ignored recreation and did only conservation.

Mr. J. A. Reed: No. The mandate they initially set up for themselves was flood control. I was neither recreation nor conservation. In recent years some initial thrusts were made towards the assessment of environmentally sensitive areas, but they were never followed through, they were never completed.

80 p.m.

All I am trying to suggest here is that without a policy framework within which a conservation authority can operate some of the powers given them are excessive. I speak as a land owner here, as one of the many land owners on the Credit Valley, the Grand Valley, or whatever area you would like to mention, who are subject to the decisions made by that authority for whatever reasons.

Mr. Williams: Surely the only excess could be if they were operating beyond the terms of reference as described by the act.

Mr. J. A. Reed: If there were a policy framework or mandate set up within which a conservation authority could act it would at least give the public and those people who are directly affected some idea of where they stand. One of the weaknesses of conservation authorities, in my experience, has been the absence of consultation and contact with those people who are directly affected by the acts of the conservation authorities.

Mr. Hodgson: That has to come from the local municipalities.

Mr. J. A. Reed: It is not the municipalities. When it comes to flood control, when it comes to the whole policy of the flood plain and so on, when the land owner is directly affected by the policies set up by that conservation authority, I

do not believe the people affected are communicated with or asked for their opinion or consulted with to any extent whatsoever. They may be consulted under exceptional circumstances: for instance, when a member of Parliament may live on a flood plain he gets lots of attention.

Mr. Hodgson: I agree with that, but you elect a local council in a municipality and they either approve of what is suggested by the conservation authority for flood control or they do not.

Mr. J. A. Reed: I disagree.

Mr. Hodgson: You cannot disagree with that, that is the law.

Mr. J. A. Reed: There are many instances under which the conservation authority is required to act under regulation without going through municipalities or anything else.

Mr. Hodgson: We have a Conservative government here, we do not do it that way.

Mr. J. A. Reed: You are talking to a guy who has been there all his life.

Mr. Hodgson: I have been there a lot longer than you have.

Mr. J. A. Reed: I was born there and I grew there.

Interjections.

Mr. Chairman: Order.

Mr. J. A. Reed: I would like to invite the honourable member to come and live with me through flood time on the Credit River, to live with me for perhaps one year. I would suggest to him that, while with a great deal of effort we have been able to improve the communications aspect—believe me, I have had hands-on experience with it—communication is not nearly what it should be between those people directly affected and an authority that has the ability, for instance, to trespass, and the ability, for instance, to expropriate or to do whatever it wills with people's private land. That, in my view, must change.

In terms of water management, I have only one subject I would like to address. I will be very specific; it is the subject of the Thornbury Dam. I brought it up in the opening statements. Tonight I have one objective. I would like to get a commitment from the minister that he will see to it that the 200 kilowatts at the Thornbury Dam are restarted and reactivated, along with the operating fish elevator which is there at the present time.

It is my hope it will become a living example to all the people who go up there and look at it

that hydraulic energy and conservation can work together hand in hand, that the two, rather than being in opposition to one another, are totally compatible with each other.

One of the great mistakes the Ministry of Natural Resources made a number of years ago, when they installed the fish elevator at Thornbury, was to cut the five-foot penstock leading to the 200 kilowatt generator that is still there, still in existence. In that single act the government destroyed more renewable energy than it has created through all the solar grants, all of the millions of dollars that have been spent on renewable energy up to this time, and more. The parliamentary assistant to the Minister of Energy is sitting here. I will sit down with him and we will add up the number of kilowatts, and even the cost of restarting the Thornbury power, compared to the cost of the solar projects that have gone on in Ontario.

I am not objecting to solar energy development, I feel it is an integral part of renewable energy in Ontario; I am just suggesting that the cost per unit of energy we are getting out of hydraulic power is many times more than the cost per unit of energy we are getting out of solar. I watched with dismay, and I fought this—

Mr. Stevenson: You said that in reverse; it is many times less.

Mr. J. A. Reed: Okay, it is many times less. As a matter of fact, I did one little cost analysis. There was a \$125,000 solar energy project west of Toronto, at a hospital, and the total energy that would be developed by those solar panels in an average year would amount to three per cent of the energy capability of the Thornbury Dam at 200 kilowatts. That will give you a kind of cost comparison. Yet we still struggle with the capital costs of putting in small hydraulic power plants.

I felt as if I was witnessing a Caesarean birth at the Guelph Dam when we watched the startup of 85 kilowatts of renewable energy, which was the first demonstration project by the Ministry of Energy in small or mini-hydro. That installation went in at a cost of about \$1,500 per kilowatt, about half the cost of building Darlington, I might add. Certainly it is a little different in the scale of its environmental impact and perhaps a little different in its reliability because hydraulic power has a track record in Ontario of 99.5 per cent in service.

I go even further to suggest to you that my own hydraulic plant, which was jerry-built by me, has a track record of 99 per cent in service. There is no question about the reliability of that

great energy resource. Here we have 200 kilowatts, which is just an example; this is only symbol of the kind of thing that has gone on in past years regarding the destruction of hydraulic power.

I should not have to go back and tell you about Fenelon Falls or the cataract on the Credit River, where the destruction has been tragic, to say the least. We have, in Thornbury, this classic situation where there is a penstock running under a road which has public access in full public view—

8:40 p.m.

Mr. Hodgson: Is that in your riding?

Mr. J. A. Reed: It is not even in my riding, but it is in full public view and it could become the living example of the compatibility between the preservation of fish resources in Ontario and hydraulic power.

There are still many people who do not believe they are compatible. They believe that unless you remove all the dams in the province you will not have proper regeneration of fish stocks. The fact is that the two can live together very well, very comfortably and very economically.

I am going to ask the minister in his response to give a commitment to seeing that is restarted even if he has to go back to the scrap yard and pick up that five-foot penstock which is cut up in 20 foot sections, and to make sure, as his predecessor had promised, that it is put together, the plug is taken out of the dam and that 20 kilowatts runs again.

I am most concerned about it and I will be continuing to press as we go along, to encourage, or take by the halter or lead by the bit or whatever it is I have to do, to make sure that the power comes to life. I have been up there to see the site myself. I know there is no mechanical or logistical reason why it cannot be. I have seen few of the levers that would have to be changed down at the bottom of the fish elevator. That is all, believe me; the rest of it is a simple act of plumbing.

So, Mr. Minister, you know where I stand on that matter.

Mr. Andrewes: Could I interrupt for just second?

Mr. Chairman: I never allow interruptions.

Mr. Andrewes: I realize that.

Mr. Chairman: Is it a supplementary, something to add to this?

Mr. Andrewes: It is a supplementary. I would

want to go any further without correcting the figures the member for Halton-Burlington has presented. He said \$15 a kilowatt—

Mr. J. A. Reed: No, I said \$1,500. I am sorry.

Mr. Andrewes: I think \$1,500 is correct, but \$1 would not be correct.

Mr. J. A. Reed: I think if we looked back in the Hansard you will find that I—check it tomorrow. If I said \$15, I apologize, I am wrong. I will be the first person to admit it.

Mr. Andrewes: I know you would.

Mr. J. A. Reed: I suggested that it was half the cost of Darlington, and I think that is about \$500 a kilowatt or something like that.

Perhaps I could go on to item 2, aviation and fire management. Just for a point of clarification, is this where the jet comes in?

Hon. Mr. Pope: Yes.

Mr. Chairman: I have several others who want to talk on the conservation authorities.

Mr. J. A. Reed: I am at liberty to take your direction. If you want me to go through all the things at once, I will do them. If you would like to stop at item 1 one and go round robin now or go round robin later, it is entirely at the wish of the chair or the wish of the committee.

Mr. Chairman: Does anybody else want to speak on conservation authorities? It is whatever the committee likes.

Mr. Kolyn: I have a few questions I would like to present.

Mr. Chairman: I have you down, but you are next.

Mr. Kolyn: That is okay. I have three questions on vote 2502.

Mr. Chairman: That is all I am asking. Do you wish to run through all of vote 2502 from Mr. Reed's point of view, or do you wish to go with it item by item?

Mr. J. A. Reed: I am prepared to do the thing right down to the end, stop and then let it go.

Mr. Laughren: Wait a minute. I insist that we do item by item.

Mr. J. A. Reed: In terms of saving time, Mr. Chairman, my hope is that we try to get over the votes. Until I am shouted down, I will proceed.

Mr. Chairman: Any objection to that? I have no objection.

Mr. J. A. Reed: Until I am shouted down, I will proceed. I have some basic questions connected with the jet.

Mr. Laughren: I thought we were doing the conservation authority.

Mr. J. A. Reed: It is under aviation. I would like to know just what costs are incurred by the Ministry of Natural Resources in the operation, the servicing, the purchase, etc., of this Challenger aircraft. I think I know from bits we have been able to garner that it was put under the aegis of the Ministry of Natural Resources because you have certain servicing facilities and personnel and so on.

It would be very interesting to know just exactly what costs there are connected with the operation as far as the ministry is concerned. In other words, do you carry the can on interest on the capital cost or is the capital cost borne by somebody else? Is the flight crew paid by the Ministry of Natural Resources? Does it do anything else or will it be totally assigned to it? Will the maintenance costs be underwritten by the Ministry of Natural Resources? Naturally, my party and I take the position that the jet is an unnecessary extravagance; we have done and will continue to do so.

The figures we have been able to put together show that if the government of Ontario chartered a plane every day, 365 days a year, in Ontario, out of Malton airport, to go where it had to go, it still would not match the costs of paying for or carrying the capital cost of this Challenger aircraft, providing it with a flight crew, maintenance, etc. We are deeply concerned in a time of constraint in Ontario that \$10 million is spent in such a cavalier manner. The fact that it is luxuriously outfitted sort of adds fuel to the fire, and the fact that it is outfitted in the United States to boot, at a cost of \$2 million, adds to that.

Hon. Mr. Pope: Do not be provocative.

Mr. J. A. Reed: I am trying not to be provocative. I am just trying to lay the facts on the table and the position of my party as we understand it. We feel this purchase should not have taken place. It should be dissolved. This aircraft should be sold. I do not know whether you could sell it and get out of it now or not. Maybe you could sell it to the feds.

We would be very happy if you could take the debt load and the continuing servicing load away from the taxpayers of this province because that is something they do not need. They have Suncor, they have the land banks, they have all this stuff to carry. Suncor is costing \$11,000 an hour. The land banks are costing more than that in terms of interest, and that is really uncon-

scionable. Then when the Treasurer (Mr. F. S. Miller) comes to the people of Ontario and says we have to broaden the sales tax base to pay for all this stuff, it becomes rather ridiculous, to say the least.

Mr. Hodgson: That was not the reason for that. It was because the feds cut off \$300 million.

Mr. J. A. Reed: Fortunately or unfortunately, as the case may be, I am a provincial member of parliament. If I volunteered for and was elected to serve in the federal government, I would take my own position there.

Mr. Laughren: Are you denying your roots?

Mr. Eakins: Tell them about the new vehicle tax.

Mr. J. A. Reed: I would like to strike a positive note before we get all the way through this thing here. Under item 4 there is something called land management, and I think that the strategic land use plans must fall in the budgetary area of land management. Quite frankly, I believe that strategic land use plans are essential and they are the proper way to move in—

Mr. Hodgson: Just a minute, I have an announcement. The NDP won Hamilton, the Tories were second and the Liberals third.

Mr. Laughren: Are you serious? I move we adjourn.

Mr. J. A. Reed: I will get my black arm band.

Mr. Newman: There are only about 37 polls to hear from. He is way ahead, over 2,000.

Mr. Eakins: Can we get John Williams out of his chair now?

8:50 p.m.

Mr. J. A. Reed: Mr. Chairman, this discussion is out of order and it is giving me ulcers I do not need. There is no point in it. We are talking about supposition here. I think we had better get on with the estimates. I will check my Wintario ticket at the end of the night and see if I am lucky.

The jet probably was one of the issues. If the minister feels vindicated by the outcome of the by-election, I have news for him. There are a lot of people in Ontario who do not believe that the jet was a good deal. Just for your own sake, I hope you do not take that as a vindication of the jet.

Mr. Pope: South of Steeles.

Mr. J. A. Reed: Here I was trying to compliment the minister, but you have cut my time down so I will not be able to do it for very long.

I would like to say that land use plans and

program strategies are essential for the future of the resource base in Ontario. I appreciate the fact that there is an energy inclusion in the land use plans, and I know the minister knows and accepts the fact that there was some input from the opposition.

Very often the opposition is criticized for not having any alternatives and not presenting any other points of view, and we are accused of not having anything to say. In the case of these land use plans, the opposition had something very fundamental to say and it was accepted by the government and included in these land use plans. I am very grateful for that because I think it is a positive step. If we could put partisan politics aside for five seconds in this committee—perhaps we cannot but maybe we could—seems to me that the acceptance of ideas coming from all parties and a broad-based point of view is the way that things can be accomplished in a positive manner and the way the province can go forward.

The danger is that in a majority government very often it becomes very easy to ridicule the opposition and say, "You people have nothing to say. These are the realities of March 1981." We all have a little fun about that in the Legislature, but in terms of these land use plans when it came down to the nitty gritty, they listened to members of the opposition and certain inclusions were made which were very vital.

Mr. Stokes: Which members of the opposition? I spoke of land use planning 14 years ago.

Mr. J. A. Reed: The energy critic of the official opposition did respond to requests from the ministry regarding land use strategy. Not as a result, as meagre as it may be in the eyes of some, there is an inclusion here on energy.

Goodness, anybody should realize that the Ministry of Natural Resources, of all ministries, holds the keys to renewable energy in Ontario. There is no other ministry that holds the keys. The Ministry of Energy is a policy secretariat that can only advise on policy. When it comes down to the guts of it, to the workings of it, it is the Ministry of Natural Resources all the way.

There is energy in here and there are statements that will be of great value in the future. In the southern Ontario book on co-ordinated program strategy it says, and it should be read in the record, "The ministry will ensure that energy potential is considered before a permanent commitment is made to uses which exclude energy production."

I think that that is a most positive step by the ministry and I commend those officials in it.

ministry who were forward enough in looking to do that and a minister who could set aside partisan politics for a short time at least in order to accept that kind of input.

I am not sure exactly what is meant by resource access. Maybe the minister will help to clarify that.

Mr. Stokes: Building roads.

Mr. J. A. Reed: Jack, I know that resource access represents building roads. Resources, though, cover a base that is much more broad and I am not sure whether in resource access you include, for instance, moves to improve access for sport fishing; whether you include access to aggregates, and so on.

I would like to have some sort of response from the minister as to just what areas beyond the business of, say, parks, multi-use area planning and road building are covered by resource access. It seems to me that access has to involve people well beyond the subject areas I have mentioned, well beyond the areas of commerce. There are areas of recreation and I know that some efforts are being made in that area.

I would like to know what efforts are being made to improve resource access, for instance, for the people of Metro Toronto, who are I hope getting improved access to recreation and so on, through the conservation authority effort and so forth. It would be very beneficial to have something in Hansard which outlines just what you're doing.

Mr. Minister: those are the comments, as brief as I could put them—

Mr. Stokes: Forty minutes.

Mr. J. A. Reed: Well, I certainly tried to be a little more brief and concise than the New Democratic Party—or, I would say more correct, the Socialists—and to get some of those statements on the record.

I realize they do not cover all the ground, it is not possible in this incredibly large ministry, but those are the areas of perhaps the greatest concern. With the minister's response we will have a better idea of just where the ministry is going in these areas.

Hon. Mr. Pope: Do you want me to listen for a while and then reply?

Mr. Chairman: Whatever you would like. There is no doubt that we are going to run out of time.

Hon. Mr. Pope: Maybe I can try to break in at 9:45 and start replying, if that is okay, and we shall see how it goes.

Mr. Chairman: Do you want to raise all the concerns and go from there?

Hon. Mr. Pope: I think Jack Stokes wanted to get on with his remarks.

Mr. Chairman: Okay. Mr. Stokes?

Mr. Stokes: Briefly, Mr. Chairman, I want to speak about vote 2502, item 2, aviation and fire management. I want to say that I am very encouraged by what has happened in our ability to use new technology for fire suppression.

I do not want to go through the long litany of the number of thousands of acres and literally hundreds of thousands of units of productive forest land that have been rendered useless for the next cycle of anywhere from 80 to 120 years. However, I think that, as a result of the experience, particularly in the boreal forest over the past four years, I would have to compliment the ministry on the enlightened approach they have taken to it.

I know that, with the use of satellites and new technology—in sensing fire situations literally when they get started—it is going to improve the ability of this ministry to react in a much more effective way than has been the case up until the last year or two.

I do not know whether the minister is going to have time to respond in detail, for the benefit of the committee and those who are not well enough informed on what the ministry is doing.

9 p.m.

I do not know that you have covered it to any great extent in your leadoff, but I think it would be useful for committee members if you were able to justify the expenditure of \$35 million for regular firefighting activity, plus an extra \$2 million for emergency. Hopefully, you will not need to ask for any more, but that is a part of the budgetary structure if it should be needed.

One of the things I would like to mention in this vote is that you are attributing a part of the increase for aviation and fire management activity to the fact that you are increasing the salaries for the pilots. This is something I brought to your predecessor's attention.

I happen to know that the pilots in the forestry service are the most dedicated and the safest. They are affectionately referred to in the north as "Sunshine Airways." They are very careful and I think we are very fortunate to have in this service the calibre of pilots we have.

I am glad to see you have recognized this in the upgrading of the amount of money you are paying to them, because it is a historical fact that they had been underpaid. I do not know to

what extent you have rectified that problem; only time will tell.

I know there was quite a turnover, except among the most dedicated of your air personnel. If this goes any distance towards correcting that injustice and paying those people what they are worth to a much greater extent I am all for it, and I want to commend the ministry for that.

One other item I want to get into on this vote deals particularly with land management activities. I know that strategic and district land use planning comes under this vote. I am not going to comment in any great detail upon that. I was a part of it before the reorganization, if you will, when this ministry used to be organized along district forester lines as opposed to management districts. Where you might have had 20 before, you now have something like 47.

I have some doubts as to whether or not that has actually been an improvement, but I do know I like what I see coming out of the district land use plans. I have had an opportunity to read the plans for Terrace Bay, Nipigon, Geraldton, and Thunder Bay. I got the Atikokan plan yesterday; I have the Sioux Lookout plan.

For purposes of planning, getting down to the nitty-gritty, and trying to minimize some of the conflicts in the overall multiple-use concept—I will never be able to resolve them all, and one of the classic ones is going to revolve around the kind of park we are going to have in the Whitewater Lake area. We are not going to satisfy everyone, but I think you people are on the right track; you are listening to everyone.

I saw the three options surrounding that particular problem, and the forest industry is not going to get everything it wants. The wilderness buffs, the bird watchers and everyone else are not going to get everything they want. However, I think there is an area of compromise somewhere in the middle where I think we will meet most of the legitimate concerns. So this is an ongoing process. We are in stage two of the consultation, the public information and the open houses.

I do not think anyone who is at all concerned about any aspect of land use planning—certainly in northern Ontario and the area I have some responsibility for—can complain about the process, with the exception that maybe you are a little bit hasty. From the time you had your first open house, you sent out your informational packet and you said, "We will give you until some time in April to respond to that so we can commit it to paper and get some diagrams up on the wall and come up with some options."

That is what you are doing now. You are getting options out on the wall before the public. You have very dedicated people with your ministry commenting on those options and explaining them to the people and letting them react in any way they see fit.

I really cannot understand what the need was to program this entire thing so it would be completed by the end of December. Sure, that is the ideal situation. I hope it turns out. I got a complaint from someone who was on the advisory committee from Sioux Lookout saying "Our advisory committee just met last night at Sioux Lookout. I came back home to Savelle Lake, only to find out we are going to meet next week. The open house is going to put everything on the table for everyone."

There was no opportunity to alert the Canadian Broadcasting Corp. or to get it in the local weekly newspapers. People have some legitimate concerns that maybe you could sit back—and I am not talking about months, I am talking about 10 days or two weeks—just a moccasin telegraph will have an opportunity to work in those areas.

Those are the little irritants that bug people. I am not at all critical of the process. I have advocated and supported it for a number of years, but every once in a while someone goes gung-ho and they say, "Let us do it next Monday," and you do it. Well, that is fine and dandy for people who are used to the whole process, but it does not sit well with someone who is new out in the boonies who says: "I had a concern about that. Why did not someone tell me about it?"

I hope you will be sensitive to that. If you find people feel they are being rushed, I hope you will be flexible enough to hold it until the end of January or the end of February 1983.

One other item with regard to land use planning is the Patricia land use plan, dealing with the area of the province north of the 50th parallel. I know the problems you people are having—I do not know if you, Mr. Minister, and the deputy are aware of them—trying to communicate with our first citizens living north of the 50th parallel.

I can show you copies of a dozen letters sent from the district manager in Sioux Lookout to the regional director in Kenora, inviting, pleading and begging, with those people in the Treaty 9 area, the Kayahna council group, and other tribal council groups, to say, "Here we are going through all of this process and we would like you people to be a part of it because

ffects in a very real and a very important way the kind of lifestyle you people are going to be living, based on the tradition of our first citizens."

That has not worked. I am sure this must have been brought to your attention. Maybe one of the reasons it has not worked, and maybe one of the reasons our first citizens have not been as sensitive to your time frame and the whole process of land use planning as it affects the West Patricia area of this province is the fact that you have had the Royal Commission on the Northern Environment—since 1977, the last time I looked we had spent between \$6 million and \$7 million. If you look at the way in which that money has been spent—I know that there are no funds in here for it, but the process is going on here in this vote.

10 p.m.

Here is the problem, and I think you are aware of it, but I am going to mention it anyway for the benefit of the committee. If we go ahead and finalize the West Patricia land use plan, all I'll be going to break loose, particularly with Treaty 3 saying, and legitimately so, "We are receiving funds." That is, those people living north of the 50th parallel are receiving funds from the commission on the northern environment so they can express their concerns, whether they be environmental concerns, social concerns, or economic concerns. They are doing their own thing, almost in parallel to the process that your ministry is going through with regard to land use planning in the central Patricia region.

When they have their own process funded by a royal commission set up by this government. Really, if you were a first citizen, a native person living north of the 50th parallel, would you respond? I wish they would, but they have a very valid and legitimate reason for not responding. They are doing their own planning.

What is more ridiculous or nonsensical than having the Royal Commission on the Northern Environment fund these native groups to do their own planning? The Detour Lake thing was an excellent example of it.

It is the same situation with the Ogoki road, which is being jointly funded by the federal and provincial governments, which is going to provide access to the south shore of the Albany River, and which is going to have a very profound effect on the lifestyle of the people living north of the Albany on the Fort Hope Reserve.

They are doing their own planning. They do

not need you guys. They do not need you, because you have the commission on the northern environment going down their own road, completely oblivious to this process that we call West Patricia land use planning.

You are asking for \$277,000 for salaries, wages, employee benefits, and other direct operating expenses; reason for change, "Increase for West Patricia land use plan (program extension)." I think what you are doing is an excellent thing, but if you look at what other people are doing, completely oblivious of the process you are involved in, it is counterproductive and a waste of money.

As the member for that area I have to deal with it. You have to deal with it. You used to have to talk to Keith Norton when he had the responsibility for that royal commission. Now you have to talk to the Attorney General (Mr. McMurtry). That is not my job; that is your job.

One other area I want to get into with regard to land use planning—and I am genuinely asking for some advice. I get a lot of inquiries from people who own land in northern Ontario, people who have had it handed down to them in the family for a number of years.

I have had people who have bought land from people who were awarded and granted a patent, normally for mining reasons, away back when. They pay the provincial land tax, they pay school tax and either statute labour tax or local roads board tax.

You people recognize that they own the land or you would not be submitting bills for payment of provincial land tax. The local roads board knows they own the land or they would not be billing them for the maintenance of the roads in that jurisdiction. The school board admits they own the land or they would not be billing them for school taxes.

They go to the lands and titles office in Thunder Bay—and I am going to be very specific—and they say, "We would like a deed to our property." That is a reasonable request. I am sure with your modest little home in Timmins you would want a deed to be able to prove that you owned it. If you decided to sell it some time down the road, you would like to be able to show a purchaser that you owned it.

Let me give you one specific example. I could give you others, but I want to be very specific.

You have a parcel of land containing about 70 acres in Forbes, Dawson Road, Ware township, just outside the city of Thunder Bay—and I have a copy of the deed in my office. It was deeded to one Mr. Allen and one Mr. McDon-

ald in 1875. They were down here to give their home address as someplace in eastern Ontario. It would make very interesting reading and I could table it with the committee, but I am not going to.

That was held under tenure by way of a mining claim. It was patented, including the mining rights, save and excepting the pine timber. That was reserved for the Royal Navy. That is fine and dandy.

Mr. McDonald bought out Mr. Allen and he became the rightful owner of property. It was in the McDonald family for years and years, and the last survivor of the McDonald family passed away in 1954.

Ursula Bigelow, who happens to be a constituent of mine, became the owner of that parcel of land. It is lot 19 and a part of lot 20 in Forbes, Dawson Road, Ware township, in the district of Thunder Bay.

Last December she went to the lands and titles office. Here is the deed. Here is a letter transmitting property from Miss McDonald to Ursula Bigelow. Here are her receipts for paying the provincial lands tax, the local roads board tax and the education tax.

Can she get a deed?

Someone said, "Oh, that property was expropriated by the crown." She asked, "How could that be?"

He said, "I do not know, but that is what is on my records here and the only way you are going to find out is to go and hire a lawyer." She came to me and I do not happen to think that every time someone has a problem with a ministry or an agency of this government they have to go and have a lawyer to fight their battles for them.

I have already written to Mr. Doherty, who is the lands and titles commissioner in the city of Thunder Bay. I think he can help Ursula Bigelow with her problem. I sincerely hope he can.

I want to find out from you if it is possible for you to walk in on land that has been patented to an individual, that is in good standing, and have something entered on the record saying, "We have expropriated this property." Please tell me that is not so. That is all I have on this item.

Mr. Stevenson: I have just two comments. One is on the wetlands comments made earlier.

Although I agree with the honourable member's views I guess I have some major concern that things will ever be applied the way he hopes they might be.

I hope the minister is aware of the views of the Ontario Federation of Agriculture on wide

implementation of wetlands policy. I would see it as a major problem in the area I represent because there is considerable fringe land to the fairly significant acreage of wetlands in the area. It is some of the most productive land we have, as a matter of fact.

9:20 p.m.

I have difficulty seeing how any level of government could adequately compensate land owners in the amount of acreage that exists in some areas and really persuade these people to stop draining, particularly some of the fringe area.

That really causes me considerable concern mainly in the practice of bringing that policy into force, if it should come. I would hope the minister would make himself aware of the Ontario Federation of Agriculture's views, if he has not already.

The other thing I want to discuss is the developing practice of conservation authorities getting involved in experiments and research associated with conservation tillage in this province. Maybe the minister is well aware of the situation.

The agricultural research bodies in the province have been quite heavily involved in conservation tillage over the years. Certainly the work of Drs. Charles Baldwin, Jack Ketcheson and Terry Daynard is quite well known in Ontario and really well known internationally. They have spoken at a number of meetings and conventions in this province and in the United States, and have been invited to a number of international symposia on conservation tillage over a number of years. They would certainly like more money from the Ministry of Agriculture and Food, but I think they have really done quite well with the funding they have been getting, which has been moderately substantial at least.

What has happened in the United States over the years, partially because some of the research stations had not been as active as they might have been in this area, is that many groups such as the Tennessee Valley Authority became heavily involved in conservation tillage research. We are now starting to see it come into Ontario in a much bigger way.

I see it as a duplication of much of the work that has already been done by a number of the agricultural groups, at least from the limited brochures, and so on, I have seen. I must admit that I have not really done an exhaustive review of the situation.

However, it certainly appears to me that the

re going over much of the same ground that the agricultural people have already gone over. They are using, or appear to be using, the approaches that were used by a number of the US conservation groups, some of which have been shown not to work particularly well in Ontario in the past. It looks to me as though they are overlapping to some extent, rediscovering the wheel.

I am not sure who is paying for this research, whether it is the province or whether it is mostly local funds, but it really concerns me that we are tying up this money and this manpower.

I am not suggesting for a minute that conservation authorities should not be interested in erosion. However, there is surely some way they can co-operate with the agricultural research bodies around the province, in their extension programs and in the messages they are trying to get out to farmers.

They have to save some money or put it all into one pot and get it out there, get it all organized, so we are not running the same sort of research programs a few miles apart. The way I see it happening now, from a distance, I am quite concerned that we are wasting a lot of ours and money.

Interjection.

Mr. Chairman: I doubt that we are going to have time. I have to allow the minister time for his response.

Mr. Kolyn: Mr. Minister, it certainly is a measure to be able to discuss a few things with you. Like the Liberal critic, I would like to discuss the Metropolitan Toronto Conservation Authority.

As you are well aware, we had a shore erosion problem years ago in our area of Lake Ontario. Part of the plan was to build a man-made island in Humber Bay, one for recreational facilities, and another for nature trails, which has been fairly well completed.

One of the other parts of the plan called for a Colonel Samuel Bois Smith waterfront area, to be built at the foot of the old psychiatric hospital. One of the problems we seem to be countering—and I would like your help if possible, because the Ministry of Government Services owns the psychiatric hospital property—is the cost of putting a road from Lake Shore Boulevard through the psychiatric grounds to the Bois Smith park. Another problem is that the Ministry of Government Services is asking an exorbitant amount of money for the shoreline property.

I would like you to look into the matter and help us expedite the resolution of this concern. I feel this program is very much needed at this time and would create jobs.

I do not know what the status of Marie Curtis Park is, but it was in the original plan years ago. If you could provide me with any information on it I certainly would be very appreciative.

I would also like to talk a bit about the water quality of the Great Lakes, namely Lake Ontario. Recently, Mr. Minister, I believe you attended a conference of the Great Lakes states on water diversion. I would like to know, and so would some of our people, if any water is being diverted from the Great Lakes and if so where; and will there be more in the future; and if so, what safeguards—

Mr. Stokes: The Premier (Mr. Davis) said no, as he was sitting there reading his paper.

Mr. Kolyn: —what safeguards do we have against someone doing it unilaterally?

I would be interested if you could tell us about the Great Lakes. Is the water quality deteriorating, or have we turned it around and is it getting better? Those are the two main issues that are my concerns in my riding.

I would also like to bring up another little issue. I asked the Minister of the Environment (Mr. Norton) about it and he suggested I bring it up with your ministry. It is with regard to the milfoil problem they are having in the Kawartha lakes, in the Buckhorn and the Chemung. It seems that, after July 4 or 5, it gets more and more difficult to get a boat to go through the lakes. What are we doing to harvest or control this milfoil?

I will not take up any more of your time, but I would appreciate some comments on what I have asked.

Mr. Chairman: Mr. McGuigan was not here at the time. As you know, we are trying to get through everything except item 4 tonight. We have kind of agreed on a procedure with the minister that we would throw everything at him on vote 2502 and he would try to respond to it all at once, no later than 9:45 p.m.

Mr. Laughren will come next, bearing in mind all those factors.

Mr. Laughren: I will not be long.

Last November, when the estimates were being considered, I asked the minister to look into one possibility of funding. I was not even aware at the time whether or not the Nickel District Conservation Authority had made a major request or put a priority on it or not—it

had to do with the flooding in what is known as the Onaping-Vermilion watershed and the minister had agreed to look into that. I simply ask him if there have been any special requests in that regard.

9:30 p.m.

Second, on the question of aviation and fire management, I wondered whether the minister is satisfied that his ministry is now paying competitive rates to the pilots in the Ministry of Natural Resources and whether or not that has been resolved to everyone's satisfaction.

Third, the figures for firefighting go from \$35 million in 1980-81 to \$2 million in 1981-82 to \$2 million in 1982-83. Is the minister satisfied those are realistic figures?

Hon. Mr. Pope: That may be for extra fires. You are right. I can answer that. Go ahead. I know what you mean.

Mr. Laughren: I know it is not possible to predict fires, nevertheless it just seemed I should query that figure. I shall just leave that with the minister.

Fourth, on the whole question of land management, I wanted to get the minister's commitment that the ministry still had the understanding that West Patricia—which my colleague the member for Lake Nipigon is so concerned about—will be subjected to environmental assessment. I believe it was the Premier who made that commitment.

My concern is that when we talk about land management in general the Ministry of Natural Resources is not known for its tolerance of those who believe environmental assessment is a positive activity in Ontario. That ministry has a reputation for regarding environmental assessment as a nuisance and as something they wish would go away. They do not appreciate people in the Ministry of the Environment who are responsible for environmental assessment.

It is my understanding there are people in MNR who would like very much to have almost everything MNR does exempt from this environmental assessment. They do not appreciate what it means to the province, nor do they appreciate it can remove the threat of a lot of headaches and problems in the future. If something is put under environmental assessment in the first place it can remove a lot of the headaches further down the road.

I would like to hear the minister's views on the whole question of environmental assessment for MNR activities. By that, I mean the whole question of land use planning, the forest man-

agement agreements, the allocation of road such as the Atikaki, that kind of thing.

When I think of what the ministry has gone through with Atikaki, for example, regardless of the alternative routes—and the minister gave us the other night a list of alternative routes for the Atikaki—when I think of how all those things would be addressed by proper environmental assessment I believe the minister, instead of regarding it as a nuisance, should look upon it as a process that would help him in his deliberations.

Finally, there is the whole question of resource access. I had questioned the minister earlier on the cost of forest management agreements and of regeneration, and he had indicated a certain number of dollars. We have been through that and I do not want to do it again, but I was unclear as to whether or not all that included the cost of resource access.

When I see resource access in this vote amounting only \$4,385,000 I wonder about the figure and about surveys and mapping costing \$10.5 million. I would appreciate some kind of explanation as to whether or not that \$4.5 million really is an honest figure for road access whether it has any relationship to the FMAs or whether it is something entirely different. I am confused about that and why surveys and mapping would cost more than twice as much as the actual resource access would.

Those are some of my questions under this vote.

Mr. Chairman: Mr. McGuigan, do you want to sneak in for five minutes? This chair has seen your five minutes before. As long as it is not John Williams or a Floyd Laughren or a traditional McGuigan five minutes, you have it. I have difficulty with all three of you on time.

Interjections.

Mr. McGuigan: Stop me in five minutes. Thank you very much, Mr. Chairman.

Mr. Chairman: There are a few from all parties.

Mr. McGuigan: You are very flattering. I appreciate that.

Last December the minister may have heard we had Dr. Charlie Baldwin from the Ridgeway College of Agriculture and Technology attend the meeting of the Resources Development secretariat. He presented his films, which perhaps you have seen, on soil erosion, mainly in southwestern Ontario.

I simply want to reinforce what Mr. Stevenson has said about the problem and point out to you

what I have seen in just the five years I have been coming here, viewing from the train and from Highway 401, of what is happening to the soil in southwestern Ontario.

As you know, there have been heavy cash crops in the counties of Essex and Kent for a number of years, and we have had a slowly gathering erosion problem there. As one moves into the central part of southwestern Ontario, in and through the Woodstock and Guelph areas, that has really been put into heavy cash cropping only in the last 10 or 15 years. As we have a shorter season, soybeans and corn have been moving into that area.

When I first started coming here in 1977 there was not much erosion showing in that area. It is beginning to show quite heavily now in the Woodstock area. It is rolling country that formerly used to be dairy land. As you drive down the roads, you can see the fingers of rill erosion, sheet erosion, and you are beginning to see a little of gully erosion.

When you get down into southwestern Ontario where I live, where we have been in cash cropping for almost a farmer's lifetime, it appears in the last five years that the whole weight of all of our problems has descended upon us.

I do not wish to sound hysterical, but it would appear that the fibre and the holding capacity of that soil is gone. With the heavy rains we had last summer and again this spring, the land is literally moving away.

You would be familiar with Rondeau Park, being in your ministerial jurisdiction. When I was a kid there was a road just about at Rondeau Park; we spoke of it as "the old road." The soil was very fertile, thick loam soil.

On Sunday afternoon my dad would take the family on a drive down the old road and into the park. That was always a landmark of beautiful farm crops. It was well drained because of the slope and the silt loam soil was rich. That is where they grew the big crops of tobacco and corn and various other crops. If you drive along there today, it is not a showplace. The hills and the valleys are simply eroding away. It is getting really bad.

I would like to reinforce the point made by Mr. Stevenson. We know from many years of experience what to do. Certainly a great deal of experimental work needs to be done. Even with our new equipment and so on, some research needs to be done.

9:40 p.m.

For instance, we have moved away from the old method of cultivating the soil with discs.

The discs were given the reputation of compacting the soil, and I think rightly so. Now we have gone to cultivators that just fluff up the soil. We just set it up there for the first rain to come along and carry it away. So there is need for work to be done in that regard.

I believe the perception of the farmer is to turn to the Ministry of Agriculture and Food for help, because they do it in so many other areas. Those are the people who should be carrying the fight for erosion out on the farm lands. I know no ministry wants to give up a particular area of work, but I guess as one of the biggest ministries covering so much of Ontario, you probably would not mind losing some of that responsibility.

I know there is a fair amount of work going on under your ministry. I do not believe the farmers are aware of it nearly as much as they are aware of activities going on in the Ministry of Agriculture and Food. An awful lot of money needs to be spent in this regard, whether it comes from your ministry or the other ministry, whichever way will be the most effective. I will get the word and the perception that there is a problem, there are people interested in it and they are willing to go ahead.

We are seeing a changing attitude because a few years ago farmers were not very concerned. Now they are looking up the slope and they are saying, "That guy's land and his water are coming down on me." The fellow even lower is saying, "They are both coming down on me." The farmers are beginning to feel they had better do something. That was not true a number of years ago. The attitude was: "Leave me alone. It is my farm, I will do what I want with it."

Now we have enlarged the farms, we have taken the fences down and we have made great sweeping expanses of land, all of it cultivated. There are very few crops like alfalfa and hay and so on that hold the soil. We have got a real problem in southwestern Ontario and as time goes on it is creeping across the province.

I want to wind up by saying we have to do something about it co-operatively. I just hope your ministry will take these things to heart and do what it can.

Mr. Chairman: You were five minutes on the dot, Mr. McGuigan, thank you.

Hon. Mr. Pope: A number of issues were raised.

Under vote 2502, lands and waters program: I know there are some other issues that will come up under forestry with respect to completing

multiple use, which is really one of the basic issues in the forestry sector. I am aware we are going to get into some lands and parks issues and forestry as well because of this multiple use issue; I think it is fairly important under the forestry vote.

Under vote 2502 the members raised a number of issues that I would like to deal with if I can.

First, Mr. Reed raised the issue of wetlands. He suggested some form of redress, perhaps compensation of some kind, should be considered by the ministry with respect to anyone who keeps wetlands in their natural state and does not get involved in drainage. That was a position suggested by a couple of agricultural representatives from different districts when we had a preliminary discussion about this with some local councils and some of the farming communities last summer in eastern Ontario.

The problem I have with it, and we have not come to any final conclusion on the policy, is there are a number of other potential uses or retentions in a natural state that could equally demand the same consideration.

I am thinking of the gentleman in the Niagara Peninsula who had a wood lot that became a nesting site for a regionally significant flock of blue herons. He was making a case that he should be compensated because the birds were nesting there and he was not going to be allowed to cut down the trees. At the same time, they were defoliating the trees and also creating some damage to the vegetation covering the lands under the trees.

I am not trying to throw a herring into the whole process, a blue herring—God, that was awful—I am just trying to indicate that you leave the avenue open for other competing claims. You might have, for instance, a regionally significant forest covering on your property and you may want to put it into agricultural production. You may find that because of provincial policies there is some opposition to you doing so. You may find you have some regionally significant geological formations upon your lands and therefore you should not be allowed to dynamite your land and flatten it and put it into production.

I do not know where you draw the line on the thing and that is what has been bothering me. I do appreciate that wetlands in totality probably have a great deal more significance on a wider range of issues than some of those other things I have just cited. Perhaps you can deal with it

from that point of view. I am just worried about how you define that kind of policy.

Mr. Laughren: Would you allow a supplementary, Mr. Chairman? What if you had designated significant wetlands? All kidding aside about drawing herrings across the path, we are talking only about something designated as significant wetlands. Would that cause you the same amount of problems? Would not the magnitude of the problem diminish?

Hon. Mr. Pope: When we come across that kind of an issue, we try to flow funds through the conservation authorities for direct acquisition. That has been our answer to it to date. I am not saying that should be the only response, but to date we have been directly acquiring wetlands through conservation authorities. We have been involved in acquisitions of a number of marsh areas, particularly in the Essex region.

I do not know if we want to go beyond that or not. I am not rejecting your suggestion; I just do not know if we want to or could go beyond that.

In the environmental assessment process, I think the net effect of considering a class in environmental assessment would be that it would be the individual farmers who, when they wanted to drain and till the soil, would have to make the application to fall under the class assessment. There would be certain requirements incumbent on them.

I think it would cause some trouble in the farming community to have a class in environmental assessment in place for the wetlands. That is why I have some problems with that concept as well, although I understand what you are saying.

Mr. Hodgson: May I ask a supplementary, Mr. Chairman?

Mr. Chairman: I think we are going to have difficulties if we get into supplementaries. We had better let the minister reply and then, if we have time, we can back over the ground.

Hon. Mr. Pope: Conservation authorities and their powers under the act have been an issue. About 10 years ago we started out with a system of direct regulation and description in the regulation and nonuniform regulatory powers under the Conservation Authorities Act.

We even had different rules of conduct in different conservation areas through different regulations and that did cause us some trouble. The process of mapping and developing flood areas and the process of getting them implemented through official plan and zoning bylaw

procedures at the municipal level in some places have not been necessarily consistent.

I think you and Mr. Hodgson are both right but are speaking from different experiences. What we have been trying to do is to get a consistency in both the approach and what we expect in terms of consultation at different stages before, during and after the mapping process.

9:50 p.m.

Mr. Laughren: Not a bad line. "You are both in agreement, but you are just speaking from different experiences." I must remember that one.

Hon. Mr. Pope: It will probably be in Hansard. I know you will want to reread Hansard and get all these pearls of wisdom.

Mr. Laughren: I will read a copy of Hansard before they edit it.

Hon. Mr. Pope: That is nothing. I will send you a second set of land use plans.

I think there have been various stages of consultation. Individual land owners in different conservation authority areas have expressed dissatisfaction to me on a personal basis with respect to when they were brought into the process, whether or not they really felt they had legitimate say in it with all the expertise lined up against them, and whether or not they really felt they had a say by the time it got to the municipal council.

So we have been working with the conservation authorities on an individual basis. A lot of them have been very good in the past; some of them are improving and we hope that it is going to continue to go that way.

We have developed a two-fringe concept, just recently announced, which is going to alleviate some of the marginal land conflicts and disputes. It will allow construction, subject to flood-proofing and certain elevation levels for buildings; in other areas there will be no cut, no fill and no construction whatsoever. That is going to zero in on the area of direct conflict in the ability to build and finance, and a number of other things.

We are also trying to develop a better policy of consultation with the engineering staff on the use of models and external review mechanisms in engineering work, and the application of the engineering studies and the criteria which we ourselves set out in our discussion with the conservation authorities on the flood-plain mapping.

In other words, one in 100; one in 50;

regional; Hurricane Hazel down in the south; what does that all mean in terms of levels? Is it plotted on the maps properly? At what level should we address the two-fringe issues? I think you are going to see some improvement in that process.

I will not deny that conservation authorities have become involved in recreation issues to various degrees. I can only reiterate what I said, I think, on Wednesday morning or Tuesday night: in the last three years, the proportion of total grants to conservation authorities in the province allocated for recreational use has gone from 25 to 10 per cent.

There has been a shift in emphasis to flood-plain mapping, clearance and construction programs; drainage and construction of berms and dikes, and this kind of thing.

That is where we have been headed. Priority has also been given to land acquisition in the actual flood area, to try to alleviate those kinds of conflicts between private use in flood areas and the necessity to have that land under control and ownership.

It is going to do nothing but escalate the cost of these lands. We are trying to put a handle on it right now before it is even more expensive.

The other thing we are doing is looking at the flood easement concept. We have just started to evolve that concept in the last six months by acquiring flood easements where there are partial parcels of land, perhaps in the flood area. The structure itself may not be in the flood area.

We have been traditionally serving notices of expropriation on the entire parcel. What we have been trying to do now is develop a flood easement concept where we will pay the cost of the flood easement, depending on the regularity or the cycle of flooding, depending on what use the land is being put to, and a number of other factors. We think that the flood easement concept, with ownership retained, will resolve some of those conflicts.

The Thornbury dam issue has been mentioned by Mr. Reed a couple of times. This was handled by the Owen Sound district. We have documentation on file from the district manager. There were meetings held with council in October 1980.

I should tell you the information we have indicates that the removed structure belonged to the municipality and not to the Ministry of Natural Resources. They had ownership of it and transferred it to another party; that other party dismantled it. Now, that may not be correct.

Mr. J. A. Reed: Unless that has happened in the last few months, Mr. Minister, the only part that was dismantled was a 60-inch penstock that came from a thimble in the dam and was cut in order to facilitate the construction of the fish elevator.

Hon. Mr. Pope: The only thing I can tell you is that the town sold the penstock to a local resident. Furthermore, the town was planning to convert the old generator building into a museum. This, however, did not materialize. I gather that all these discussions went on with the municipal council in 1980.

Mr. J. A. Reed: It went on with the advice, concurrence, aiding and abetting of officials of this ministry who were not in favour of that water power continuing in existence.

Hon. Mr. Pope: All I can tell you is that there were meetings between the town and the ministry officials. The confirming notes of the discussions, for whatever purpose they were made, indicate that the penstock would be considered as part of the powerhouse equipment and is to be disposed of by the town. Pursuant to that decision, I assume it was disposed of.

It also says that the town will be disposing of all the equipment, as the removal of the penstock has negated any present thought of operating a hydro museum. I gather that the town had in mind the operation of a hydro museum on that site when the original discussions were going on in 1980.

Mr. J. A. Reed: Pardon me for interjecting. I do not really mean to belabour the issue, but the site is still there. Water power sites do not go away. They are there forever.

If I have one objective, it is to get a commitment from this ministry that that site will generate power again. If you can do it at the Guelph dam through the Ministry of Energy, you can do it even more visually at Thornbury because you have a fish ladder right there.

When you talk about two things that can be compatible, and show people from all over the province what can be done, that is the one.

Hon. Mr. Pope: I cannot guarantee that I will have the dam in production. I can only guarantee that since you raised it in your initial statement I have been gathering notes on the matter and checking the documentation. I will be pursuing it in the hopes of getting the dam back into production if possible. I just cannot guarantee that that will happen.

Mr. J. A. Reed: I will give you all the help you want, maybe more than all the help you want.

Hon. Mr. Pope: We do have a small water power development program that the Ministry of Energy has been involved with us in developing. We had been taking an inventory of existing sites for potential for small water power development.

We started in September 1981. Expenditures in the fiscal year 1981-82 were \$100,000. The budget for the fiscal year 1982-83 is \$230,000. It is our staff that is spearheading the site assessments.

We provided some technical assistance and guidance to the Ministry of Energy in the preparation of a book called Micro Hydro Power. You are probably aware of it; it was issued in 1981. We have been involved in a couple of demonstration projects for whatever they are worth at the Guelph dam, which you referred to—

Mr. J. A. Reed: It is an excellent demonstration.

Hon. Mr. Pope: —and the Dorion fish hatchery. There are two more sites at Oba and Muskrat Lake being examined in this current fiscal year. We are going to do some cost comparisons.

We are also trying to streamline our administrative process in the light of some problems at the Hurdman dam, for instance. We are trying to change those processes and make them a little more effective and a little quicker.

Mr. J. A. Reed: It sounds positive and exciting.

Hon. Mr. Pope: Floyd thinks so, too, I know that.

Mr. J. A. Reed: What is exciting is that the Hurdman dam situation is the first, or—when an agreement is finally struck and can be satisfactorily worked out—the flagship agreement of co-operation between government and private enterprise on dual use of water impoundments in the province. Since most of them are owned by government, it seems to me that if some kind of operating agreement can be struck so that mixed private entrepreneurship and government work together, we will be on the right track for the first time in the history of the province.

10 p.m.

Hon. Mr. Pope: I guess that is all I can say on that issue, although I know your interest and concern in it. You are quite right. The land use

anning documents do reflect some comments that were directed to us by the former Energy Minister for one of the opposition parties and others. We do intend to pursue it as a matter of importance in the land use planning process through our hearings and also in our final draft strict land use plans.

Regarding the firefighting and pilots' salaries, we did half of the salary adjustment for pilots last year. The second half is going to be done this year. We think we are making some progress. We are continuing to fight their cause either effectively with the powers that be.

I think they feel happier about it. It has solved some of the morale problems that perhaps might have been there before. At least they feel we are paying attention to them.

To answer Mr. Laughren, we traditionally put a sum of money in for extra firefighting, but we have a policy with Management Board that as soon as we get into emergency situations we can go to Management Board and get the cost of our firefighting efforts covered.

That is the reason for the \$35 million and the extra \$2 million. Last year, of course, the average burned by fire was much less than it had been the previous year and we are hopeful we will have the same success this year.

One of the interesting things is that we have under experimental testing this year is a new C215 aircraft built by Canadair. It is a water bomber that has been very successfully used in Europe. It is produced by Canadair in Montreal, so it is a Canadian-made water bomber. The forest products industries have been urging us to replace our Cansos with this equipment.

There has been some discussion with Canadair about a possible acquisition. Because it was not a piece of equipment whose performance and reliability we were not familiar with, we do have it for a test project at a cost of \$212,000 this summer and we are observing it.

It seems to be working out quite well and there is quite a bit of satisfaction with it. It costs us \$6.5 million to purchase as a turboprop aircraft, so it will give you some idea of the cost of aircraft these days.

Mr. J. A. Reed: That is cheap.

Hon. Mr. Pope: It is produced by Canadair.

Mr. J. A. Reed: You cannot pick up water in a

Hon. Mr. Pope: How do you know?

It just gives you some indication of the cost of

aircraft these days and how it is accelerating, \$6 million for one water bomber.

Mr. Kolyn: How many do we need?

Mr. Laughren: You will never be allowed one.

Hon. Mr. Pope: I am just getting into this, Floyd. Relax.

First of all, there were some statements—and I appreciate that Mr. Reed is raising this on behalf of his party and not necessarily from a personal point of view.

Mr. Laughren: Are you going to take that, Julian?

Mr. J. A. Reed: I will correct the record right now before he gets too much farther. I want to go on record as fully supporting the position my party has taken.

Hon. Mr. Pope: Maybe I could ask you for a couple of other answers, then. Do you support the fact that members of this Legislature should travel to and from the Legislature by jet?

Mr. J. A. Reed: On a point of privilege, let me suggest—

Interjection.

Mr. J. A. Reed: No, I will answer it right away—if the cheapest mode of travel is by jet aircraft, let it be.

Hon. Mr. Pope: It is not.

Mr. J. A. Reed: All right. The minister knows, commensurate with the time involved and so on, and time is money—

Hon. Mr. Pope: That is exactly the point. Now we agree.

Mr. J. A. Reed: Where we do not agree is that you can hire that jet out of Malton cheaper than you can buy it.

Hon. Mr. Pope: I am sorry, with all respect, I will get into that too. Your party has really never known what it was talking about on this issue. First, there is no luxurious interior. You have perpetuated that myth on the basis of one article in the Toronto Star without even knowing what was in it.

Mr. J. A. Reed: It was the specifications.

Hon. Mr. Pope: What specifications?

Mr. J. A. Reed: The blue carpet on the floor and an extra bar.

Hon. Mr. Pope: I am sorry, but you do not know what you are talking about. If you will read back all of these articles, you will see that someone from the Toronto Star did an article about the purchase of a Canadair jet by a Saudi

Arabian prince and you automatically translated that—leather-covered toilet seats and all the rest of it—into this vehicle. That is not the case.

Mr. Laughren: Why is it in Texas?

Hon. Mr. Pope: I am getting to that too.

Mr. Laughren: I will be patient. We have only until 10:15 now.

Hon. Mr. Pope: First, we were able to acquire an existing contract. That meant we were dealing with 1980 dollars as opposed to 1981 dollars, so the saving was approximately \$2 million. You do not think it is true?

Mr. Laughren: It is just that the rationalization process is really fascinating.

Hon. Mr. Pope: You asked me questions.

Mr. Laughren: We are waiting for your answer.

Hon. Mr. Pope: Part of the purchase contract acquired included an outfitting contract that had already been executed with respect to the interior of the plane. We had to assume that contract as well in order to take advantage of the existing contract for 1980 dollars.

The use of jet aircraft for commercial purposes has been well established in northern Ontario for a decade. You can ask any northern member how he gets to this Legislature in Toronto and he will tell you by jet aircraft—Air Canada, Nordair all the other services. Jet aircraft are in use for all commercial access from northern Ontario. You will find jet aircraft, except for North Bay, and even North Bay hasir Canada and has also another turboprop service.

If you look at the air ambulance contracts, you will see that since last January we have had a jet aircraft on air ambulance contract. It is a Cessna Citation 2 at an annual cost of \$1.3 million. You cannot deny that is necessary. You would not deny it is appropriate that members of this Legislature get public support to come to and from their ridings by jet aircraft. You would not deny it is necessary and appropriate that people who are coming down to Downsview to the workmen's compensation hospital and rehabilitation centre are travelling to and from—

Mr. J. A. Reed: They come on scheduled airlines.

Hon. Mr. Pope: Let me get to it. It is not the cheapest method, but it is the quickest method and it is a method that is accepted as an appropriate means of transportation in northern Ontario. I understand your party may not understand that, perhaps because of the part of the province you come from. I understand it is a

problem for our Toronto members and every one else—

Mr. Laughren: And the rest of your party?

Hon. Mr. Pope: No, as a matter of fact, I would like to say a couple of other things also. We are almost the last provincial jurisdiction to acquire or lease jet aircraft for travelling. British Columbia, Quebec, Manitoba, Alberta on its lease, Manitoba with a Citation, Quebec with two jets, British Columbia with four—

Mr. Laughren: Did they buy them?

Hon. Mr. Pope: Yes. Manitoba's, I believe, is under lease, but they say it has now been purchased under a lease-purchase arrangement. Saskatchewan, I am aware, does lease jet aircraft, and as I said, Quebec. Only Nova Scotia and Newfoundland have turboprop King Airs. That is what we are now using in Ontario. The federal government has four Lockheed Jet Stars, one Grumman II, two Canadair Challenger and several King Air 190s. It also has two Canadair Challengers on order.

When you are sitting here, you are closer to Halifax, Nova Scotia, than you are to Kenora. Those are the distances we have to face. It takes three and a half hours in a King Air to get past Kenora into the Kenora-Dryden area. You can do it in a jet aircraft, even a Citation 2, in about an hour and 40 minutes. It is a substantial saving of time if you are going to and from. It makes substantial difference in the ability of ministers to have access to northwestern Ontario.

10:10 p.m.

I leased a jet aircraft myself when I had at least six different meetings to go to in two days. The only way I could do it was by leasing a jet aircraft. The other point I want to make is to compare the assumed costs of leasing a four-seater Citation with the interest costs on the purchase of a 10- to 12-seat Canadair.

First, not only was it Canadian made, but it was the least expensive option for its size. We examined a number of options and we also examined whether we should have a lease purchase agreement or a straight lease agreement. When we added up all the factors, and we considered them all, this was the cheapest way to go.

You cannot compare lease costs of a Citation jet to the interest costs of a Canadair Challenger. In any event, your estimates are off. If you are going to lease an aircraft from Toronto to take a trip up to Kenora for an evening meeting, you are either going to keep that aircraft there overnight and fly back the next day and pay it

hourly charges, or you are going to pay to have it own back. You will find you are paying for an empty trip.

It is going to cost you at least \$3,500 to do that; that is just for a four-hour trip. It will cost you \$3,500 on a four-seater aircraft. What if you have the cabinet committee on resources development going up to Kenora? How many aircraft will you use then? We used three when we went in February.

I understand there are lots of good political points to be made. You can take any expenditure item, a \$10 million item here, a \$6 million purchase of a water bomber there; you can take any capital item in my budget and say, "In my judgement, you should not do it because of the times. You should put it into some other field." I can make that argument about some of your requests or some of your members' requests with respect to where the ministry should spend money.

All I can tell you is we have examined all the alternatives and the costs of them all. We think there is a saving to go the way we did. It is not a luxury item. There will be a lot of cynical people who will say we are just going through window-dressing to outfit it for ambulances.

The jet air ambulance, the Citation 2, now in service in northeastern Ontario makes two trips a day on average to Toronto with patients, and that is going to do nothing but increase. This aircraft accesses every riding in northern Ontario—the Owen Sound area, the Muskoka area, the Ottawa area. You can go right through the list. It is going to be a very important tool for the government and a whole variety of programs, including executive access. There is no doubt about it.

Mr. Stokes: The only thing that is unfortunate about the whole business is the timing. You should have done it years ago.

Hon. Mr. Pope: I will admit that. I am telling you it is simply important in northern Ontario that we get quicker and better access into there to deliver the services. It is vitally important to the province. That is why I have never backed away from it.

Mr. Kolyn: Can you tell us the price of this particular jet if we went out to purchase it today?

Hon. Mr. Pope: It would be around \$13 million. I know it will not satisfy the opposition party. I am just trying to explain our side of it, and we will probably continue to disagree. I do think it is going to serve a function. We will just

have to wait and see in the next year or so. Hopefully, if I am still here next year, by the grace of someone, we can discuss the use to which it has been put after delivery.

I think you are going to see it has been put to very good use in terms of the transportation cost we are already bearing. We are now paying \$330,000 a year to transport Workmens' Compensation Board people to and from Toronto for hearings and for treatment. It is \$175,000 a year to transport members of the Legislature to and from and the costs of jet travel are increasing.

Mr. Laughren: Without pontoons they will not be able to land at Foleyet.

Hon. Mr. Pope: We will be glad to work with the special service from Timmins to Foleyet.

I just want to go back to the airport issue because I think it has been misunderstood. We all have to take some of the blame for it. It lands in Terrace Bay and Geraldton, two airports which I think are both in your riding. We are sure of this; we have done all the tests. It lands in Kenora and Dryden and Red Lake.

Mr. Stokes: And next year it will land in Manitowaning.

Hon. Mr. Pope: It lands in International Falls, which is closer to Fort Frances than the Fort Frances airport. It lands in Thunder Bay, Kapuskasing, Timmins, Earlton, Gore Bay on Manitoulin Island, Pickle Lake, Wawa, Sault Ste. Marie, at the Muskoka airport and Chapleau.

There are a number of other airports that have around a 4,000 to 4,500-foot paved runway. Depending on the conditions, the jet can or cannot make it, depending on the weather conditions or load. There are lots of other places it can have access to.

What I am trying to say is that is not fair to say it will not have access northern Ontario because it was specifically designed to do that.

Mr. Laughren: Can it go below that 4,000-foot length, depending on load?

Hon. Mr. Pope: That depends on passengers, fuel and baggage. Certainly it is going to land at Thunder Bay. It lands in Wiarton, even though Mr. Sargent did not believe it; it lands at Huronia Park. Actually, it could land at Toronto Island—a Cessna Citation 2 does—if one could get instrument landing clearance in the evenings. That is part of the problem with Toronto Island Airport. That is not unique to this aircraft.

I can go through the whole list of airports. The airports that it does not land at, which everyone has made such a great fuss about,

include a grass runway strip in Cornwall, about 30 miles east of Cornwall, on which nothing but a Twin Otter can land. Not even a King Air could land at that airport. No one did any of these comparisons.

It is not fair to say it is a luxury that is not going to serve every part of the province because it will. We did all the research work before we made the decision. Floyd Laughren agrees with the decision, as did Bill Ferrier before him, and as I suspect does every member from northern Ontario.

Mr. Laughren: What about Chatham?

Hon. Mr. Pope: I cannot even get a King Air into Chatham under most circumstances because of that silo. If they would take that silo out of there, our problems would be solved. There were a number of other items. I guess I got too wound up in that.

I want to talk about West Patricia if I could. We had a number of meetings with—do we have a vote in the House?

Mr. Chairman: We will hear a bell.

Hon. Mr. Pope: We had a number of direct meetings with the chairman of the Royal Commission on the Northern Environment, plus some staff meetings between our commission and our planning people. As usual, there are some disputes as to what is required for both processes.

I received a submission from the Grand Council Treaty 9 which is prepared to participate in the West Patricia land use planning process. We are trying to work out the details of that participation with them. That happened just four weeks ago. I think it indicates that they feel a little more comfortable in light of some other negotiations going on. We have agreed to supply them with all the information that we can.

We are going to make our personnel available to meet their different bands and to get involved in their communities in trying to explain some of the rationales we are attempting to develop. I think there has been some progress. It is not as bad as it looked. We are having a meeting with Wally McKay tomorrow to work out some more of the terms of participation. We are hopeful that a lot of your concerns, legitimate ones, about the process seeming to be moving in isolation are going to be worked out.

On the McDonald land we cannot have a notification and a letter of expropriation without proof of service also being noted on the record of the notice of expropriation. We have

had a couple of problems in different parts of the province, including eastern Ontario, although under the old registry system you could get title by proving you had occupied the land for 40 years or more.

You cannot do that under the land titles, now called land registry systems, so we have different legal problems. Where those problems cannot be solved by the field staff, I have been getting involved, and Bill has been, at the office, working with our legal people and trying to accommodate people who have been there for a considerable period of time. We will work on this one. If you cannot settle it up there in the next week or so, just bring the details down and we will try to work on it.

10:20 p.m.

On Great Lakes water quality and water diversion, we had a conference with governors and delegates from the province of Quebec and the Premier (Mr. Davis) last Friday on Mackinaw Island. We indicated our position, as Great Lake states and provinces, was that there be no agreement to divert water without the approval of every single Great Lakes state and every single Great Lakes province. That was a unanimous agreement. There has been one diversion scheme we are aware of from Lake Michigan into the southern states of a coal slurry kind of diversion.

Mr. Stokes: That was diluting the pollution.

Hon. Mr. Pope: Yes. We were very concerned about that and we have expressed our concern to those states. I do not believe there will be any further expansion of that diversion scheme.

The impact of that diversion scheme on the water levels has been negligible, but even an inch of difference in the water level in the Great Lakes through any kind of climatic change or diversion means a difference of 200 tons per vessel in cargo capacity. It does have a dramatic impact on the navigability of the Great Lakes system and the St. Lawrence seaway system. That is why the impact on the fish population, on tourist resorts all through the Great Lakes, on cottages and on water supplies is just massive. That is why we are pretty adamant that nothing be done.

We do believe the federal government and the American government will recognize our rights as provinces and states and will not do anything without our approval. There is a feeling by the Great Lakes states, although it may be politically motivated—I am not sure—

because of the time of year and the year coming up, they do not want to have any diversion whatsoever. They want to use the availability of water to attract industry into that area. They do not want to export that for the use of industries in the southern states or the southwestern states.

I think you were talking about weeds.

Mr. Kolyn: Yes. Milfoil.

Hon. Mr. Pope: The new Canada-Ontario Rideau-Trent-Severn policy announced last Saturday morning in Kingston provided a number of mechanisms with respect to weed control involving the federal government traditionally and some municipalities. We are now engaged in discussions with the municipalities about costing for clearance outside of navigable channels and waterways, bay areas and this kind of thing. So we are trying to develop an overall policy for the Great Lakes and the Rideau-Trent-Severn system with respect to it.

Mr. J. A. Reed: Is that not invaluable food-tuff for livestock? It can be very valuable fertilizer.

Hon. Mr. Pope: Yes. It is being harvested. They actually have harvesters that go along under the water and put it up into containers. It does have a use. At present, however, there is a lot.

Mr. Chairman: There is no vote in the House, Mr. Minister and members of the committee. We've carried a bunch of bills and everything without a division, so we can carry on perhaps and answer these questions.

Mr. J. A. Reed: I think we will now have public participation in the standing committee when the sales tax bill goes—

Mr. Kolyn: Could you comment on the Colonel Samuel Bois Smith waterfront area? Would you talk to the minister?

Mr. Stevenson: Could you comment on overlapping research between the Ministry of Agriculture and Food and—

Hon. Mr. Pope: Yes. I am getting to that.

Mr. Chairman: Because we were one or two minutes late in starting, we could carry on for a minute or two.

Mr. Laughren: Can we come to an agreement that the minister will respond to questions raised on this vote on Tuesday before we go to the next vote? We are not going to get them all in the next four minutes.

Mr. Chairman: I was going to let him run and see how he did and then decide.

Mr. Stokes: You just wasted 30 seconds.

Mr. Chairman: We will see how we do.

Hon. Mr. Pope: On the Lakeshore Hospital property, Mr. Foster is meeting next week with Mr. Gordon on that issue. The meeting has already been set up. I do not know about Marie Curtis Park. I will try to find out for you.

We are trying to get better co-ordination between Agriculture and Food, ourselves and the Ministry of the Environment with respect to some of these soil erosion projects. There is an agreement that we have a real problem in the areas you are discussing and in some other areas.

Rather than try to shift program moneys from one place to the other and get caught in that whole process, we are trying to have everyone have a pool of assigned responsibilities for projects of certain ministries with everyone's agreement. We are trying to get it on a more co-ordinated, province-wide basis, so we do not get certain projects going on in different sections that are not necessarily unique and could be done in a more efficient and economical way.

We have a project committee of the three ministries. I believe you will see a lot of this duplication end in the next few months. We have also had some committees of Agriculture and Food working with us on wetlands policies and some of the reaction to it from the farming community.

On an individual basis we also have working committees of Agriculture and Food with respect to things like the South Nation projects where there has been quite a controversy and quite a dispute as to values and scientific issues related to continued drainage, the cost of the drainage and whether that adds any value to the land for agricultural purposes or not, or whether it just alters the rate of flow and the volume of flow at some other point in the system and creates other flooding problems for other segments of agricultural land. We have got a lot of co-ordination work to do—there is no doubt about it—and we have just started in the last year.

Agriculture and Food did look at the wetlands policy before it was issued. They had also reviewed it after it was issued and they have been monitoring replies from the agricultural organizations, the local agricultural representatives and the farmers and they have been sending us copies of everything they get and vice-versa. We are trying to get a unified

response to their concerns. It is getting better. I will admit a year or so ago there was not that much co-ordination between the two of us in some of these water management issues, but it has improved quite a bit.

Mr. Chairman: The nickel region.

Hon. Mr. Pope: At the beginning of Tuesday evening I will find out about that specific project in the nickel region. We have a lot of authority project sheets here but we could not find that one. I do not know why.

Mr. Chairman: Do you wish the committee to finish up the estimates?

Hon. Mr. Pope: I have only a couple more points.

Mr. Chairman: You are already starting next Tuesday, are you not?

Hon. Mr. Pope: Is that okay?

Mr. Chairman: Next Tuesday we will finish up before we get into that.

The committee adjourned at 10:29 p.m.

CONTENTS

Thursday, June 17, 1982

Lands and waters program.	R-387
Adjournment.	R-408

SPEAKERS IN THIS ISSUE

- Andrewes, P. W. (Lincoln PC)
- Eakins, J. F. (Victoria-Haliburton L)
- Harris, M. D.; Chairman (Nipissing PC)
- Hodgson, W. (York North PC)
- Kolyn, A. (Lakeshore PC)
- Laughren, F. (Nickel Belt NDP)
- McGuigan, J. F. (Kent-Elgin L)
- Newman, B. (Windsor-Walkerville L)
- Pope, Hon. A. W.; Minister of Natural Resources (Cochrane South PC)
- Reed, J. A. (Halton-Burlington L)
- Stevenson, K. R. (Durham-York PC)
- Stokes, J. E. (Lake Nipigon NDP)
- Williams, J. (Oriole PC)

Ontario, *LEGISLATIVE ASSEMBLY*

No. R-16

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Resources Development
Estimates, Ministry of Natural Resources



Second Session, Thirty-Second Parliament
Tuesday, June 22, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 10th Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Tuesday, June 22, 1982

The committee met at 8:05 p.m. in room 228.

ESTIMATES, MINISTRY OF NATURAL RESOURCES (continued)

Mr. Chairman: We will call the meeting to order. The minister was going to take a little bit of time to finish his response to several of the remarks at the conclusion of last Thursday's meeting. We were hoping to get to vote 2504, as I recall.

Mr. Laughren: He did not answer my question in the House today. He might respond to it.

Hon. Mr. Pope: One of the questions Mr. Laughren posed last week was with respect to flood control works in the Onaping and Vermilion watersheds. The authority requested additional 1982-83 funds for some preliminary engineering studies in some of the flood susceptible areas. At the field level, we asked for the authority to present some alternative strategies for alleviating the problem.

We indicated we would review the entire proposal as soon as the alternative strategies were developed. We have been trying through that authority to clear up some of the areas, probably not as fast as the member representing that area would like. We are right now in the Whitson River mapping program and we have been putting about \$110,000 this year into that program.

Mr. Laughren: In that particular what?

Hon. Mr. Pope: Into Whitson River. In Vermilion Lake we have put \$33,200. Some flood forecasting work will cost \$125,600 and on flood line mapping we have been putting in \$9,750. I guess the answer to the member is that we are probably going to be back at it with that authority sometime during the current fiscal year and then try to make an assessment of the priority rating on a regional basis and cover it in that way. I will keep your comments in mind with respect to the importance of it.

The one other outstanding matter Mr. Laughren asked for a reply to on Thursday was with respect to environmental assessments. We obtained class environmental assessments on the following things—

Mr. Laughren: I am sorry, I am having trouble hearing you.

Hon. Mr. Pope: I was going to read off the list of class environmental assessments. They are: access roads to Ministry of Natural Resources facilities; dams and dikes; canoe routes; access points and docks; water-related excavation grade and fill activities; shoreline and stream bank stabilization; ponds; fishways; and fish stocking in new waters.

We have under review with the Ministry of the Environment for class environmental assessments, solid waste disposal and fishery reclamation; and under preparation for class environmental assessments, forest management on crown lands presently included within forest management units, cottage development and lake planning, provincial parks management, seismic surveying employing explosives.

Mr. Laughren: Some minor things.

Hon. Mr. Pope: Under discussion we have land use planning. For individual environmental assessments under preparation we have the West Patricia land use plan and under discussion we have Tarentorus fish hatchery reconstruction at Sault Ste. Marie.

Mr. Laughren: I am sorry, would you tell me what you mean by that West Patricia comment?

Hon. Mr. Pope: Just what I said.

Mr. Laughren: Well, I did not understand it. The Minister of the Environment (Mr. Norton) said there was no question West Patricia was going to have an environmental assessment. He was very specific about it, firm even.

Hon. Mr. Pope: Maybe I should repeat what I said. Under preparation for individual environmental assessment is the West Patricia land use plan.

Mr. Laughren: I am sorry.

Mr. J. A. Reed: As a supplementary, when we were talking about environmental assessments, did you request exemptions on the parks programs by cabinet on April 1? Let us see what you submitted for exemption first.

Hon. Mr. Pope: There are a number of classes under exemption orders. Some of them are interim exemptions issued to allow necessary

time required to prepare class environmental assessments.

8:10 p.m.

Mr. J. A. Reed: So they are interim exemptions?

Hon. Mr. Pope: Yes. Those interim exemptions were as follows: forest management, implementation of lake plans, provincial parks management, seismic surveying employing explosives, solid waste disposal and fishery reclamation. Those are some of the ones I read in the previous list as being under preparation. You will see some of those same subjects were covered under interim exemption while the class environmental assessments are being prepared.

Mr. J. A. Reed: Since it is interim, what kind of a time line is attached to those?

Hon. Mr. Pope: I think the last one was a year. I know they have been renewed.

Mr. Laughren: Do they go to the Minister of the Environment?

Hon. Mr. Pope: They all have to; everything has to. We do not generate interim exemptions ourselves. It has to be through the Ministry of the Environment.

Hon. Mr. Pope: When you see this record you will see there is quite a lot of work being done with the Ministry of the Environment.

Mr. Laughren: I have also seen the comments your ministry people have made.

Hon. Mr. Pope: Program exemptions include forest fire protection, plugging of old gas and oil wells, sewage and water works, nuisance species controlled, junior ranger camps, disposition of crown resources, land acquisition, capital construction and lease-purchase projects and mineral exploration.

On specific activity exemptions, these are mainly short-term ones for specific projects: The Dorion fish hatchery; Lake St. Lawrence wildlife area management plan; Lucknow River fisheries area management plan; Hullet wildlife area management plan; implementing specific provincial parks master plans; Chesterville channelization project, Wasaga Beach Provincial Park master plan; exploratory drilling project, Kirkland Lake; construction of maintenance building in Ipperwash Provincial Park; construction of Bass Lake park office; Copeland forest resources management area; disposition of Cheltenham brick works property; Goat River sewage lagoon; Tiny Marsh wildlife area master plan; Keating Channel dredging; Ring-

wood fish culture station; completion of specific park projects—and that was, by the way with respect to the construction of some out houses and the placing of some benches in certain specific parks—and Goose Creek land acquisition.

I should also say one of the exemptions was with respect to section 38, unemployment insurance programs with the federal government which has just recently been passed for things like the Sudbury basin. It was felt that kind of activity did not need to be assessed under the Environmental Assessment Act.

Mr. Laughren: You did not think you would meet much resistance there?

Hon. Mr. Pope: There was some resistance not in my ministry, but in other ministries. That gives you an idea of some of the reasons behind the statements. That is basically the list. If we get additional ones, we will be glad to inform you.

Mr. J. A. Reed: With regard to these interim exemptions of one year, some of those are extensions of exemptions that have taken place before?

Hon. Mr. Pope: Yes. There were a couple of renewals in May, I think.

Mr. J. A. Reed: Is it the intention of the ministry to wind that up this year or are you going to try for permanent exemptions?

Hon. Mr. Pope: Generally, we are going for class environmental assessments on those areas and for some of them we are definitely not in the position at this time to finalize the class environmental assessment.

Mr. J. A. Reed: Is it simply because of the time required to do the preparatory work?

Hon. Mr. Pope: Not necessarily their preparatory work, but our preparatory work to finalize the program. We are doing our own planning program and our own public input program and we send those results to the Ministry of the Environment. We have not finished ours so we cannot very well give all of this to them. That is where we are in pretty well all of those things.

Mr. Laughren: Mr. Chairman, I wonder if I could ask the minister, without his getting overly defensive, hostile even, to comment on what I raised with him in the House today. In a moment of quiet reflection, I am sure the minister would agree he did not answer my question.

Some of the statements I put to him, which were made by people within his ministry, were

ally quite inflammatory in themselves towards the whole principle of environmental assessment and the role of the Ministry of the Environment. They are, after all, doing their job. I make sure they protect the environment as they see it. While his people may not like it, I rely those kinds of statements that I quoted to him today are unfair and uncalled for on the part of the people in his ministry. I wonder if he could respond to that.

Hon. Mr. Pope: I do not know what the document is that you read from. I think employees from time to time voice personal opinions on matters of policy. I think our policy is indicated in the material I read out.

Mr. Laughren: You did not answer my question. Would you put some distance between yourself and those comments?

Hon. Mr. Pope: I do not publicly criticize employees of my ministry.

Mr. Laughren: I did not ask you to.

Hon. Mr. Pope: As I said, our policy with respect to the Ministry of the Environment is indicated in the work we are doing right now with respect to environmental assessments.

Mr. Laughren: So you would not agree with that statement that the administration of the Environmental Assessment Act is becoming a bureaucratic nightmare.

Hon. Mr. Pope: I would not know if it is or is not. All I know is that we are doing work on environmental assessments.

Mr. Laughren: You would not say that the quality of some Ministry of the Environment staff is not being properly harnessed and channelled by senior Ministry of the Environment management. Would you agree with that statement?

Hon. Mr. Pope: I am not an expert on the internal workings of the Ministry of the Environment.

Mr. Laughren: Do you have any reason to believe those statements have any kind of validity?

Hon. Mr. Pope: I have no reason to believe or disbelieve them because I have no knowledge of the internal workings of the Ministry of the Environment. If you think you are going to cross-examine me, try it. You are not going to get too far.

Mr. Laughren: The minister is being strangely reluctant to put any distance between himself and these bullying comments by the people in his ministry, and that is really what they are. They are saying, "We are above the Environ-

mental Assessment Act because we control land use planning in the province." That is what they are saying, and that is not fair.

Hon. Mr. Pope: I do not think the Ministry of the Environment is intimidated and I do not see any tears flowing under the doorways, if they are sensitive.

Mr. Laughren: Who?

Hon. Mr. Pope: I do not know. I do not even know what you are talking about in terms of attitude and opinion.

Mr. Laughren: I am talking about statements being made by people within your ministry. It seems to me that you have an obligation to tell those people that this is not the attitude that will prevail in the Ministry of Natural Resources.

Hon. Mr. Pope: If I sense a problem in that regard, I deal with it within the ministry generally.

Mr. Laughren: Don't statements like that cause you some concern?

Hon. Mr. Pope: As I said, I think our attitude with respect to the Ministry of the Environment is indicated in the list I just read out.

Mr. Laughren: When you run a top-heavy ministry, the attitudes of the top flow down to the bottom, and that is what bothers me about those kind of statements. If they are getting that from the top, that will be reflected in the attitudes of the entire ministry. I think that is fundamentally wrong. I do not think it is a joking matter. Environmental assessment is something worth protecting and worth supporting. In the end, you end up paying quite a price for not supporting environmental assessment.

We have seen that already, when you try to bulldoze your way through on projects because you do not like the whole idea of true public participation or assessment of what you are doing. I do not want to be any more specific than that.

If you wanted to talk about the Black Bay Peninsula fiasco, we could. That is exactly what those kind of tactics lead to. You are not well served either.

Thank you, Mr. Chairman. We can raise other matters under the forestry vote.

Mr. Chairman: Is there anything else, Mr. Minister?

Hon. Mr. Pope: No. There were some items with respect to land use and parks, and we agreed that it would flow into forestry under the multiple usage.

Mr. Chairman: I would like to get to vote 2504. Can we carry these other votes with some discretionary leeway by the chair?

I know there were a few items expressed by Mr. Kerrio and Mr. Laughren—I am sorry, not Mr. Kerrio. Let me get to the gist of it.

Mr. J. A. Reed: Just because we look alike.

Mr. Laughren: A Liberal is a Liberal is a Liberal.

Mr. Chairman: That's right.

Mr. J. A. Reed: I'm just not another pretty face.

Mr. Chairman: Mr. Reed, I think we have felt that with the proper discretionary leeway by the chair—the vice-chairman is going to be here shortly—we could go to vote 2504 so that we do not get into too many of these other items and not get at it. Can I carry vote 2502?

8:20 p.m.

Mr. J. A. Reed: In keeping with the understanding of the thing, I had two remaining questions regarding parks. They are not very extensive questions. Do you want us to wait until we get into vote 2504 to start?

Mr. Chairman: I would sooner not take them because I am afraid it might lead to supplementaries and we will not get at it at all. It happens. Can we carry 2502?

Vote 2502 agreed to.

Vote 2503 agreed to.

On vote 2505, resource experience program:

Mr. Chairman: We do not want to get into the order.

Mr. Laughren: If there are no complaints.

Mr. J. A. Reed: Nobody had problems getting a job as a junior forest ranger this year.

Mr. Laughren: The junior rangers are not part of the political referral system, so I will let that one pass.

Hon. Mr. Pope: They do have tie-ins with forests, though. Before you came in, we indicated that everyone who applied got a job and that there were 34 vacancies.

Mr. Laughren: For what? Senior rangers? What is the age limit?

Hon. Mr. Pope: Seventeen.

Mr. Laughren: You read my mind.

Mr. J. A. Reed: I was thinking the same thing, but it is only for girls.

Vote 2505 agreed to.

On vote 2504, resource products program:

Mr. Chairman: On vote 2504 there are a

number of things. I think we get more things covered that way.

Mr. Laughren: Are we doing minerals first and then forestry? Do you want to do that?

Mr. Chairman: We have both people here, so we can do them all together.

Mr. J. A. Reed: I will try to be very concise. I will deal first with mineral management. I would like to put it on record that our party favours the establishment of an individual ministry to look after mining in the province of Ontario.

It is certainly supportive of a resolution put forward by one of your own colleagues in the legislature. Mr. Havrot, I believe, brought forward such a resolution. It simply acknowledges that mining is an incredibly important part of the economic life of Ontario and that a separate ministry of mines, assuming that the areas of overlap be properly co-ordinated, would be very beneficial to the economy of the province.

Having said that—it is a straightforward enough type of statement—I would also like to mention the other area of mining which takes place as much in southern Ontario as in northern Ontario, and that is the aggregate industry. I am interested in knowing the status of the new aggregates act, considering that we were at the point of having it revealed to us this spring.

It would appear now that we will be waiting for it until this fall. If you are going to bring it in in the next couple of weeks, we might be here until August. We are interested in what is going to happen there.

Aggregates are a part of mining that really have an impact on people, especially in the highly populated areas of the province such as the Golden Horseshoe, as it is known. I would just say that in my own riding, the riding I have the honour to represent, approximately 50 per cent of all the aggregates that come into Metropolitan Toronto come out of the northern half of the region of Halton, that part known as Halton Hills, the part that is on the Niagara Escarpment. At least, I am told that.

Whatever percentage it is exactly, suffice it to say that it is very large. When we have situations like that, we have quite an impact. It is an impact in transportation, in demand for road quality, in noise, and in interference with the lifestyles of people who live in the areas and enjoy, or did until recently, the privacy of their own homes and properties in a rural setting.

I would just say, in that regard, that when we do get into the aggregates bill, I certainly hope that the new bill addresses some of the problems

that were put forward in the form of amendments to the Pits and Quarries Control Act, which was withdrawn a year or so ago. We have a long way to go in terms of really addressing the question of aggregates. Nobody questions the need for aggregates. They are part and parcel of the commerce and trade of any area that is growing. I think we have to pay some brand new attention to some of the impacts that it has.

With those two statements on record regarding the minerals—and I realize they are all too brief—I would like to go on to forest management.

Mr. Minister, you released this statement today in the Legislature. I have a copy of it here. It tends to demonstrate that you are now, in 1982, going to fulfil the promise of 1977 of two steps for one. That effort, and the effort to increase the amount of regeneration available, is most commendable in itself.

I expect the numbers of trees here does not account for losses; it does not account for the ones that get thrown in the pile over the hill at five o'clock in the afternoon, nor does it account for the ones that do not quite make it. I think you used a figure of 75 per cent liveability the last time we talked about this in estimates, which I thought was incredibly high. If you are lining up to that kind of level of survival in terms of the number of trees that go in, I think it is just great.

However that commitment has been met and to what extent it may have been met, it does not answer three major problems. One is that we have an accumulated backlog of unregenerated forest land of about seven million acres since 1959 or 1970. A portion of that is from burnover and another portion is from harvesting.

There was a recent federal government study which showed that about 30 per cent of the land capable of supporting regeneration is unable to be regenerated because of the slash and the waste left as overburden on top.

Traditionally, the Ministry of Natural Resources undertook a technique called a prescribed burn to eliminate the material lying on top and render the minerals contained therein as fertilizer for future tree growth. Nevertheless, the amount covered by that kind of overburden is very great.

In spite of the fact that you are now capable of producing 132 million trees in a given year, I am wondering what steps the government is undertaking to eliminate this overburden, which accounts for 30 per cent of the land mass. That is a huge tract, if you like, a huge acreage. Our

party has put forward proposals which would utilize that overburden, turning it into a useful resource which could become one of a group of resource development areas that could account for the economic renewal of this province. The minister is well aware of that.

8:30 p.m.

I have used the example of the Hearst pelletizing plant. It is taking a resource, having a negative value by the forest industry of about \$6 a ton, and using it as its own energy feed stock. It is turning it into an energy resource which is available in abundance in the province. Apparently there is no limit to the markets available to it because it competes very successfully with natural gas.

I have always been frustrated because of the government's apparent inaction in some of these innovative areas. Here we have a situation where we understand and appreciate the need to get this forest cover back on as quickly as possible. Yet nearly one third of that land mass is prevented from taking trees because there is a resource sitting there which ideally should be harvested at the same time the trees are cut. I do not think that this is an unreasonable expectation.

There is also another area that is even more disturbing. That is the land which has remained unregenerated for a number of years, and because of the very thin overburden of soil, has washed free, gone bare. The number of years it will take for recovery is enormous. In our lifetimes, and in perhaps two or three generations, I do not think we are going to expect very much in the way of forest cover.

That is a tribute to shortsightedness, I suppose, on the part of governments past. However, I am concerned that, at this particular time, when we have so many challenges and opportunities before us, the concept of regeneration does not also take into consideration the utilization of those resources that are there. I guess the root question is, are we going to go back to the prescribed burn again? If we get to the point where we want to do some of these, is that what we are going to do? Are we going to go out and burn some more? Are we going to waste a tremendous amount of energy resource in so doing? You and your ministry have a tremendous opportunity here.

I know we touched on the subject of using that forest waste to produce motor fuel, transportation fuel, in the province. Quebec has already started along that road. They have already beaten Ontario to the punch by about

four or five months now. Where we are going from here, we still do not know, although I assume there is something sitting around that may be on the horizon.

The fact is that the resource is there. Ontario has the ability to turn over a tremendous amount of its energy expenditure inside the province. Part of that \$11 billion or \$12 billion, or whatever it was that went out last year, could be turned over in here. I am sure all of us can appreciate that. If we could turn over 50 per cent, if we could reduce the oil consumption or the petroleum-related consumption by 50 per cent by utilizing those resources, the economic spinoff would mean the salvation of this province and its restoration to its proper place in the economic scheme. That is a deficit balance of payments that cannot be allowed to go on indefinitely.

I would be interested in the minister's comments in terms of forest management agreements. Now that we have, I believe, eight in place at present, which do not cover a very large land mass in the province, where are we going in 1982-83? How many agreement negotiations are under way?

Mr. Stokes: There will be 35 by 1985.

Mr. J. A. Reed: While 35 by 1985 might be a commendable target, let us find out from the minister what the status is at present. Where are we going with forest management agreements?

As I said, I am concerned that they do not cover a very large acreage. As a matter of fact, with most of the companies, I would suggest they only cover a small portion or fraction of the total area under licence by that particular company. It seems to me they cover only about 26 per cent of all the licensed area in the province. While we may be headed in the right direction as to forest management agreements, one wonders how we are to recover the deficit which must still be building in the province, in the rest of the area, by just relying on this two-trees-for-one thing.

Perhaps other areas I should touch on—and I have so many notes here that I do not know what I am doing with them half of the time—concern provincial parks and the logging contracts. With your indulgence, Mr. Chairman, I am going to wheedle in this area a little bit. I hope I am not ruled too badly out of order.

The provincial park debate about whether or not to log has been going on for many years. Being a farmer at heart, I personally am one of those who likes to see things ready to be harvested. It is not my nature to accept waste.

On the other hand, I also appreciate the fact that there are some areas of the province which for the sake of our generations to come, need to be left in their wilderness state as far as possible so we can appreciate the kind of heritage we have had.

In that localized area, speaking as a farmer, represents some waste on one hand. On the other hand, it has certain advantages. So there are reasons for leaving some parks in the wilderness state and allowing nature to take its course. It would be interesting to know how the ministry applies its policies, assuming it has definite policies in these areas, and how it determines which areas might be subject to forest harvesting and which areas will definitely be left permanently.

I think in my opening statement I did touch on forestry in southern Ontario. It may not seem significant to some of those who think of the vast areas of the north as being the timber and lumber areas. However, in fact, southern and central Ontario produce hardwoods in extremely large quantities, and much of it is on privately owned land. I am concerned that many of the land owners, who would like to be good stewards of their land and of the forest cover their own, often have a difficult time, simply because they do not know a great deal about forest management.

In the past it has been left to ministry foresters to do that kind of management. If we call a district office in southern Ontario, a forester will come out, mark trees and do various things. In the past, he would even bring in his chainsaw and girdle wolf trees, and that would be his part of forest management. It seems to me if management in southern Ontario is going to be effective it has to involve far more than that. I do not think you have the capability of supplying enough personnel to adequately manage southern Ontario's forests. It seems to me it would be far more effective if the Ministry of Natural Resources used its expertise to provide education and training to private landowners so that they could be good stewards in their own right.

8:40 p.m.

I would also like to suggest that the minister undertake, with the senior foresters, a review of the management techniques that are used in forestry in southern Ontario. I happen to have had personal experience with some management techniques that have been disastrous in small-scale forestry. They just have not worked and have left some areas of forest covered in shambles. I think I said in my opening statement

would invite the minister to come up and see some of those because the results are very disappointing.

The present process involves abandoning the wolf trees after they are girdled and their utilization, the fact that they were killed and did their job as far as being killed off and growing other cover to come up was concerned. At the same time, the asset that was there was allowed simply to rot. Now that particular little piece of forest cover is in a state where the great big trees are now falling over and falling on the young ones that grew up. Very little net gain has been accomplished, and that is kind of disappointing.

On the other hand, I would like to commend the ministry for some of its reforestation programs on private land. Those of us who own farms have certain advantages as landowners in being able to take advantage of conservation authority and ministry programs that are actually extremely valuable to a farmer. The reforestation on private land in Ontario is cheap, provided it is utilized. I think those programs should continue.

I shall say one more word about parks, and it is a question on which the chairman is going to bring me completely out of order. Why are senior citizens now required to pay entry fees into some conservation areas when they were not last year?

The Vice Chairman: Those are my instructions from the chairman, Mr. Reed.

Mr. J. A. Reed: That is the end of the question. Senior citizens like to walk through the forest too, and obviously they cannot with the same degree of ease they could a year ago.

I have here a letter from a constituent who said that there was at one time free admission to many of our parks and conservation areas, but they are now in a position where they have to pay.

The Vice-Chairman: Is that with particular reference to Algonquin Park?

Mr. J. A. Reed: No. This one has particular reference to Rattlesnake Point. I did want to put it in the record. The letter did not come to my attention until today, and here we are in estimates, and I think it does deserve some sort of response.

I shall conclude with that and ask questions as we get into the specifics.

The Vice-Chairman: Mr. Laughren.

Mr. Laughren: Mr. Stokes is first going to comment on forestry.

Mr. Stokes: I listened with great interest to the minister this afternoon when he finally said they now have a plan that would allow them, ultimately, to plant two trees for every one.

Forgive me if I am a little skeptical of that announcement. Up until 1977, whenever we raised the issue of the lack of good forest management practices, husbanding, silviculture and regeneration, everything was hunky-dory. Everything was quite adequate, thank you very much. It was not until Ken Armson came in with his report in 1976 that you really had one of your own people telling you that all was not well in the forest.

I come from northern Ontario. I have made a study and tried to inform myself about the state of the art in forestry. Having gone back to the Kennedy report in the 1940s, to the Brodie report in the late 1960s, and to the Ontario Economic Council report in the early 1970s, along with and almost followed by the Hedlin Menzies report, I found that they all said essentially the same thing as the Armson report had said. The only difference was that Mr. Armson was much more persuasive in the kind of recommendations he made. Hence, we have the forest management agreements.

In talking to people in the ministry, in the industry and from the academic community—that is, the forestry schools—I have come to this conclusion. The forest management agreements are not the be-all and end-all, unless there is a concurrent commitment on behalf of this ministry and this government that you are serious about the renewal of what is the most important segment of our industrial complex in northern Ontario, and, to a much larger extent than is appreciated, even in southern Ontario.

If you go back to the statistics contained in the Hedlin Menzies report, they have reminded us that out of every 10 jobs directly or indirectly related to the forest industry, six of those jobs were to be found in southern Ontario as opposed to the four located in northern Ontario where the resource was. So forestry is an extremely important part of the economic fabric of this province.

I welcome a new approach, in the absence of anything concrete or any significant commitment on behalf of this ministry, prior to accepting in general terms the conditions and the recommendations contained in the Armson report. However, it must be more than just an announcement, as was contained in the Brampton charter in 1977; it must be a genuine commitment to take a look at a realistic forest resource

inventory to find out what the growing potential is on the most productive sites in Ontario. If you talk to foresters and scientists they talk about ecosystems where, if we play our cards right, we can go a good distance in catching up on the neglect, the indifference and the blindness of the past.

8:50 p.m.

I want to quote very briefly from an article contained in the Times-News of Thunder Bay on June 3, where they are talking about the multiple use concept—and, of course, I do not have to tell you that is from the forest industry. There was one statistic which I think should shock us all. I want to quote, just in part:

"It was noted recently by association vice-chairman"—that is, of the Ontario Forest Industries Association—"J. F. McNutt that Canada has a potential annual harvest that is only 46 per cent higher than the Scandinavian forest industry, which has a forest area of only one third the size of Canada. The key to Scandinavian success is soundly based on biological and ecological research and constantly fine-tuning methods of control."

I am sure that Mr. Peacock and a lot of the people in the forestry section of this ministry will hearken back to a symposium on forestry that was held in Thunder Bay three or four years ago when they had experts from the forest industry and ministries from all over Canada and, indeed, from Scandinavia. I do not think anyone could fail to be impressed with the kind of results that are being achieved in Scandinavia and, in recent years, even in Alberta because of this new approach.

As I say, I welcome the notion of forest management agreements, but on the basis of what I have been able to learn, that is just a start.

I listened to my friend the member for Halton-Burlington (Mr. J. A. Reed) quote from federal sources that about 30 per cent of potentially productive forest land was incapable of being productive because of slash, because of residue, because there was no plan for regeneration when the harvesting took place. He said we are now at the stage where it is next to impossible to rehabilitate a good deal of this forest land unless we find a way of going over those productive forest ecosystems that have long since grown up into weed species.

When I talk about weed species, I do not do it in the context of your predecessors. At that time, birch and poplar were considered weed species. The large companies used to say they were after the black spruce with its long fibre for

high quality paper products. For all intents and purposes in the boreal forest, with the exception of the few bolts they used to harvest for birch veneer and poplar bolts for sheathing underlayment it was just a nuisance; it was just in the way. I am not talking about those kinds of weed species.

We have come to rely even upon those so-called weed species now to mix with our better fibre for the production of kraft wood pulp and even, to some extent, newsprint. I am talking about large areas that have been harvested 10 to 25 years ago. If you stand up on a six-foot stepladder, you can see over these tall alders and all of this junk forest that is there only because at the time of harvesting there was no plan for silviculture and regeneration treatment. That has to change, and I am glad to see that there is something in the forest management agreements to take that.

Another area where you are going to have to pull up your socks—and do not take my word for it; take the word of professional foresters in your ministry, in the industry and, again, in the academic community—is to have a proper forest resource inventory with particular attention and emphasis on the ability of a particular tract of land to grow a new crop.

As I say, that determination must be made at the time of harvesting, not going back 20 or 25 years after the fact and not going back even two or three years after the fact, but by making that determination even before the harvesting—that is, with your operational plan—to decide in advance of harvesting what you are going to do with that particular area of land. Once that is done and you are satisfied with the management plan and the operational plan under your forest management agreement, you are going to have to decide on the kind of stock to use.

You mentioned today that you now have the ability, or you soon will have the ability with the aid of private nurseries, to plant something in the order of 132 million trees a year. You have guesstimated that at the present level you are harvesting something in the neighbourhood of 65 million trees a year. If your success rate in the past is any indication of the level of achievement, even under the forest management agreements you are going to have to be much more selective, as I said earlier, in the sites you choose, in the kind of plan you institute prior to harvesting and in the kind of stock you use for replanting.

I have gone to your nurseries and I have seen some excellent growing stock any place where they were very selective with regard to pickin

choice sites, where the opportunity for optimum return is at its greatest and where you use the best stock available.

p.m.

According to the foresters and the people in our nurseries, generally speaking, the best stock to use is 2-2 stock. That is where you plant something in your nurseries and after two years you thin it out, leave it there for another two years then take it out and plant it. For that kind of stock on ideal sites, you are getting an 85 to 90 per cent success rate. But where you use 3-0 stock and just throw it in because you want to make your statistics much more impressive in terms of numbers, that has been a mistake.

I do not know whether the minister knows that, but I think Mr. Peacock and his fellow foresters will admit that. It is a matter of having a plan at the time of harvesting and determining what you are going to do with that site at the time of harvesting and getting on with the job. You do not have to go back a few years later and have controlled burns or spend a lot of money on site preparation and scarification methods after the fact rather than making that determination in advance of the time of harvesting.

Another area is following the Scandinavian mode, repeating what they have had a good deal of success with. I have not been over there myself, but I have talked to foresters who have, including a vice-president of one of the most successful forest industries in all of Ontario. He was amazed at the success rate of their tubeling stock over there. I happen to know the sorry experience this ministry has had with its tubeling stock. I have been given a variety of reasons why it has not been as successful.

This friend of mine who happened to be over there said it is a good stock and even the design of the tube itself, which was sort of cut on the tubs, gave them a much higher success rate over there than we were ever able to achieve here. Our success rate with tubelings has been as low as 30 per cent, even on good sites. It really was not only a matter of spending money on regeneration and reforestation; it was a question of getting the biggest bang for our buck.

I am encouraged to see in this vote that you are asking for \$92 million for forest management activity this year as opposed to what was actually spent, \$80 million, last year. But it is not just a matter of additional funds; it is a matter of spending them in a way that will enable you to maximize your return.

As I say, I am to some extent from Missouri on the statement made by the minister this

afternoon because I have heard those things before. Up until five years ago everything was fine. We were told that if we harvested 400,000 acres in a year, one third would regenerate naturally, another third got some kind of silvicultural treatment and the other third was left to its own devices.

I am sure some of the members in the committee here tonight will recall a meeting that was convened last fall by the Ontario Forest Industries Association.

Mr. Laughren: At breakfast?

Mr. Stokes: At breakfast. At one time they used to invite all the interested members for the one breakfast. For some reason or other they decided to change the format. I am told they invited all the government members on one occasion and presumably told them what great fellows they were and gave them a breakfast and everything was fine and dandy. Then on a later occasion they invited those interested from the opposition parties. I know what they told us. I do not know what they told the government members, but Mr. Greaves, whom I am going to quote here in a minute, got up and gave us a long song and dance about how great things were in the forest industry.

There was nothing they could not handle. If the parks people would just go away and mind their own business and if the ministry would let the industry do its own thing, everything would be fine and dandy. This is what Mr. Greaves says when he thinks he has a captive audience on a fall morning at eight o'clock over breakfast at Sutton Place. That is not what he says when he goes to Thunder Bay. Frankly, Mr. Minister and Mr. Peacock, I really do not know whom to believe.

Let me quote president Kenneth Greaves of the Ontario Forest Industries Association. He says, "If all of the proposals in the Monzon report," that is, the parks report, "were implemented, the four major companies"—Kimberly Clark, Great Lakes, Abitibi and Domtar—"would lose about eight per cent of their productive forest land, 2,561 square miles. That would mean an annual loss of more than \$125 million in sales." So says Mr. Greaves. He also emphasized the dependency of the local and regional economies on the forest industries.

Another chap by the name of Mr. Carl of Great Lakes Forest Products woodlands division said his firm would be hardest hit since 29 of the park proposals are located on the company's licensed cutting. He said that would translate

into an annual sales loss of \$60 to \$70 million for Great Lakes which employs about 6,000 people.

The same Mr. Carl said it takes only 10 years for a forest to be aesthetically pleasing and suitable for recreation after it had been cut. Since it takes 100 years to mature, it would be decades before it would be used for timbering again.

At the same meeting was a chap by the name of Bruce Hyer from Environment North and, predictably, he took exception to what these two gentlemen said. Mr. Hyer seems to be saying on the basis of his calculations, aided and abetted, I am sure, by the Federation of Ontario Naturalists, the Algonquin Wildlands League and other concerned groups like that, that even if all the recommendations contained in the Monzon report on the establishment of parks were carried out, it would bring up the amount of land dedicated to parks in Ontario to something in the order of five per cent.

I take it that this includes Polar Bear Provincial Park, does it not?

9:10 p.m.

Mr. Laughren: Do you expect the minister to know?

Mr. Stokes: Mr. Greaves and everybody else opposed to any kind of parks and dedicated to the multiple use concept, that is, "Let us at it first and when we are finished, you can do whatever you want because we will not be back for 100 years anyway," say that the amount of productive forest land could be as much as eight per cent.

When you are dealing with hundreds of millions of acres, a difference of five per cent and eight per cent is significant. I really do not know who to believe in all of this. The people in the ministry are going to have to make up their minds as to what kind of a land use policy they are going to have in Ontario, but particularly in northern Ontario, where we are a little bit more advanced in the planning process, not only with the strategic land use plan but the district land use plan.

As I attend the informational meetings throughout the north, as I talk to the Hyers of this world and to the Moe McKays of this world, I would think they were on different planets. There is just no meeting of minds at all. You get one set of statistics on one side and another set of statistics on the other. I never seem to be able to get something definite from anyone in the ministry as to who is right or what part of this

person's statement is reasonably accurate as opposed to what part of that person's statement.

Let me quote from my good friend Moe McKay, who is vice-president of woodlands at Great Lakes Forest Products Ltd. He said that even the current Ministry of Natural Resources parks proposals spell doom for his industry, with the net effect of the Monzon report being to snatch 2,560 square miles of productive forest land from the licences of just four of these companies.

He termed "the ultimate loss" the loss of over 30 per cent of the industry's productive land base from parks withdrawals and all other sources. There is another confusing statistic Hayer says five per cent. Greaves says eight per cent. McKay says 30 per cent. If it were not so serious it would be almost laughable—the historians these people engage in, in trying to make their point, having regard for their own particular self-interest.

I know that somewhere in between is the reality of it. I think it behooves this ministry not to just sit back and laugh at both sides or take some kind of joy out of all of this misinformation being passed around to gullible media people.

I brought just these very selected few items; have them stacked up that high and I am almost in despair of reading them any more. I just get out into the field and ask, "What is the truth about this situation?" While we are down here in this loony bin, it is not always possible to keep track of what the truth of the matter is.

I welcome what the ministry said today. I hope they can deliver, but I know they will not be able to deliver unless there is a whole new approach to forest management.

I want to make one other comment on another aspect of forestry. Who is going to do all this work? I asked you the other night, in passing, how many foresters you had on staff. You did not have the figures but you said, "I can remember what I told you last year, it is essentially the same."

Well, when I see the staffing person years that means nothing to me at all. In the forest management activity, staffing person years classified, I take it you have 960 years of bodies out there some place. Under unclassified staffing you have 1,159, for a total of 2,119 person years of service.

That means nothing to me when I talk to people in the various districts and find out that of a normal complement of five professional foresters you have only two on staff. Two of them are bidding out, for whatever reason.

I am not going to get into personalities, but I know all is not well with the professional foresters. They do not feel as though they are being fulfilled. They do not feel as though they are given the leeway and the freedom to practise good forest management in the way any professional feels he has the right to do; to innovate, to use his technical and professional expertise, to maximize the potential forest growth and even monitor what allowable cut and sustained yield are all about. We have been throwing those phrases around for years. The foresters and forest industries have been throwing around those phrases, "allowable cut" and "sustained yield," for years. We do not even know what it is about.

Right now you are engaged in doing, hopefully, an accurate forest resource inventory in every area of the province where you have sufficient staff to do it; whether you have already signed a forest management agreement or whether you are in the process of getting one finalized.

20 p.m.

In the Port Arthur management unit, which was the topic of some discussion here in the legislature a little while ago, a very dedicated forester was terminated only because he was trying to do his job. The only thing he asked of his superiors was that he be given, first of all, the resources and the time to give you, Mr. Minister, and the people at the top in the ivory tower of the forest management branch of your ministry, an accurate forest resource inventory, so you could make up your mind as to what the allowable cut was, what the species were and what the age classes were, so you could make up your mind what the hell sustained yield was all about.

That is all he asked. "Give me the resources and give me the time to do a good job and I will deliver it for you." What did he get? He got it in the neck.

What are you doing now? You have yet to give a licence; you are doing precisely what he asked—precisely what he asked. You are using your own foresters to do a forest resource inventory on that section of the Port Arthur management unit called Townships, exclusive of the Black Bay peninsula. You are contracting that forest resource inventory out to private firms, because you do not have the resources to do it yourselves within the time frame that is necessary.

You are getting someone, hopefully—I do

not know where, but you are getting someone within your ministry to do the forest resource inventory on the Black Bay peninsula, which was the area in question. You are doing precisely what Mr. MacAlpine asked you to do, and where is he? He is out planting trees for your ministry on contract.

Now, come on. I could read into the record, but I am not going to, the Ontario Professional Foresters Association's code of ethics. If anyone in the committee wants to know the code of practice and ethics of professional foresters in this province, I will be glad to share it with you. That is all a very young, enthusiastic and conscientious professional forester in the employ of this ministry was trying to do and when he needed the help of his superiors to do it he got kicked in the head for his trouble.

I am a little bit jaundiced, a little bit disappointed in a ministry I had the greatest respect for, of any ministry of this government at any time in my 15 years down here—if I am a little disappointed you will understand why.

Mr. Chairman: Thank you, Mr. Stokes. Mr. Laughren?

Mr. Laughren: Whatever suits you, Mr. Chairman. If the minister wants to respond to my colleague now, I have no objections. It is entirely up to the minister and my colleague.

Hon. Mr. Pope: I would like to welcome the comments of Mr. Reed and Mr. Stokes on a number of items related to land use and forestry and mineral management.

First of all, with respect to Mr. Reed's comments, I understand the desire on the part of some specific municipalities and some specific members to have a separate ministry of mines. They have yet to explain to me what that is going to do for the mining industry, particularly when you analyse the projects that we have put into place in the last year and a half under the Board of Industrial Leadership and Development: the expansion that we have allowed to take place on some of the geological survey programs and other standard ministry programs; the support we have tried to give to increased mineral exploration, prospecting and development throughout Ontario in a whole host of programs, and the fact that it has worked.

In terms of footage drilled and claims staked, we rank first in Canada. We did not rank first two years ago and 25 per cent of that increase in footage drilled is directly due to the Ontario mineral exploration program which my predecessor brought into being.

If you examine the whole range of programs now being offered to make information available and to encourage new people to get involved in mining development and prospecting activities, if you analyse what we are trying to do in different parts of northern Ontario to encourage specific developments through custom milling facilities and industrial mineral development programs, if you analyse the whole range of programs, I think you will see that it has been one of the priorities of this ministry in the last three years—before I was involved in it—to get things going in the mining industry.

Things have turned around. There has been increased activity. We set records last year in the number of claims staked and filed.

You may not believe the figures we are quoting to you. All I can tell you is they are there for the record. I produced them on the first night we were here. I showed you the footage drilled in Ontario compared to every other jurisdiction in the country and how in Ontario it dramatically increased in the last few years. I indicated in my opening statement the number of claims staked and recorded during 1981.

Mr. Stokes: I am surprised that you have not found more ore bodies.

Hon. Mr. Pope: In fact, we have. Under the mineral exploration program there are nine specific ore bodies in various stages of concrete development past the exploration stage and into the development stage, including public financing.

With the number of prospectuses being issued and a number of other statements being made—I do not intend to indulge in that, because you never know for what purpose the statements are being issued and whether or not they are on all fours with the requirements of the Ontario Securities Commission and all those kinds of things.

I do not like to quote the names of the companies, but I can tell you that there are nine specific ore bodies in the very final stages of development. They go right through Ontario from the northwest to the northeast.

Mr. Laughren is probably aware of a few of them, because they occur in the vicinity of Foleyet and Gogama, an area I know he is vitally concerned and interested in.

I think that the signs of regeneration in mining exploration and development activity are there. It has been encouraged by this government. I have yet to hear an argument about what a separate ministry is going to do for the mining communities or the mining industry.

Mr. J. A. Reed: I hope I can find the resolution of the member for Timiskaming (Mr. Havrot).

Hon. Mr. Pope: You do not have to read from him. I know you have feelings on it. No one has pointed out to me yet how—

Mr. Laughren: If you have to quote the member for Timiskaming, your argument is pretty weak.

Hon. Mr. Pope: I would not say that.

Interjections.

Mr. J. A. Reed: It is somewhere. I will see if I can get hold of it before we wind this up.

Mr. Stokes: Maybe he wants to be the minister of mines.

Mr. J. A. Reed: A cluttered desk is a sign of a cluttered mind.

Interjections.

Hon. Mr. Pope: There are some concerns with respect to some of the existing legislation and how it affects surface rights holders, for instance, in mining communities. These are some of the issues being addressed as we have the final draft discussion paper on a new minerals resources act that should be out shortly.

A number of the concerns of the mining communities are being met in new initiatives particularly with respect to trying to dovetail a number of different mineral developments—different industrial minerals and precious metals in some locations and getting some diversification in the mining industry into these communities.

I am aware there is a move afoot in a number of mining communities to call for government support for world prices of gold and silver, the precious metals, support of the purchase of nickel inventories, or support of those particular industries and therefore those particular communities most adversely affected by the state of the nickel markets at this point.

All I can say is you could make similar arguments for floor prices on a world-price system and government support below the floor price for virtually every metal and every product in the natural resource sector of the economy. You would be put into an impossible financial position of having to acquire the inventory at the costs of carrying it and finally the effects of disposing of it.

Even my own community feels the federal government should buy gold at \$400 US an ounce. The consequences of that on the federal treasury would be just catastrophic. I have been

quite open and blunt about it in my home riding, saying I could not support that kind of system. You can make the same valid arguments across the whole mineral sector in northern Ontario. You have the nickel industry, which we have discussed in the House, and its serious problems. That would require similar support if we started that kind of a program.

I do acknowledge what Mr. Reed has said, that there is some movement by some northern Ontario municipalities, municipal associations and some members in the Legislature with respect to a separate ministry. My only reply in my own home riding is that as far as I am concerned, coming from a mining community, mining policies and their effect on communities and industry has been one of my priorities since became minister and they continue to be so. It is not the policy of the government, at this point, to have a separate ministry of mines.

Mr. J. A. Reed: They would make you minister of both.

Hon. Mr. Pope: The Aggregates Act—I appreciate from where the honourable member, Mr. Reed, comes. As soon as the estimates are out of the way we will be sitting down and trying to settle the timetable of that. Perhaps I will have it out for some public review or something over the summer months and then have some structured process for consideration in the fall session.

We are working on that. We were to get back to you and to some other members of your party and we will as soon as the estimates are over.

I was pleased to see the support of both Mr. Stokes and Mr. Reed on the announcement today of planting two trees for every one.

Mr. Sweeney: We will believe it when we see it.

Hon. Mr. Pope: I understood what you said in the early spring session, so for your benefit, I wanted to read a few things into the record. I know you will appreciate from whence it comes. In 1982, the stock production capacity, bare root stock, is 90 million. That is no significant increase. Cuttings is one million. Container stock existing in the Ministry of Natural Resources is 15.5 million. Existing private container stock is 22.18 million and private stock under negotiation at present is 3.3 million.

I will explain what "private under negotiation" means. It means letters of commitment are given on the basis of preliminary negotiations. The final contract has to be executed and to deposit moneys on account of the five-year

contract advanced under the terms of that contract to help in recovering the costs of the capital construction. We are talking about 3.3 million currently outstanding.

I wanted to bring you up to date in some more detail within those numbers. We are talking about existing containerstock in the Ministry of Natural Resources of 15.5 million. Half a million of that is in Kemptville, 4.5 million is in Swastika, five million is in Thessalon, half a million is in Thunder Bay and four million in Dryden.

With existing private arrangements in the north central region, Hodwitz Nursery, Hill's Greenhouses and Creekside Nursery—I think they are all in Thunder Bay, are they not?—were the first private contracts we entered into some six months ago. They were for 2.22 million, 2.04 million, and 2.12 million.

Basically there are two crops grown. It is split up into two segments and half of the stock would be produced in each six-month period. That gives them some time, some gaps there, for other greenhouse production which a number of the private operators in northern Ontario are now getting into, both in horticultural products which they are selling to the local residents of their communities and also of some new work that is being done for agricultural products.

In the northern region, La Fleur Gardens, three million; Energreen, 5.3 million; Aidie Creek, 1.70 million; North-Gro, 1.5 million; Skidmore and Blazeka, Skidmore is 1.5 million and Blazeka is 0.8 million; Aidie Creek, the second contract, is 0.8 million; and Milson is 0.6 million. Those are all in place, those are all greenhouses that are under construction and some of them are already in production.

One of the good examples is Lafleur Gardens, which has already produced 1.5 million seedlings that by this time are outside the greenhouse facility, being hardened up for planting.

All of these have been announced. All those projects are going ahead.

Mr. Stokes: What stock are these going to be? Is it going to be 2-2?

Hon. Mr. Pope: These are all container stock. They are Finn—

Mr. Stokes: Finn-design tubing?

Hon. Mr. Pope: Yes.

Mr. Stokes: Good.

Hon. Mr. Pope: Excellent paper.

On a couple of occasions I have been into the La Fleur nursery to examine it. The success rate has been excellent, at least in that one. We have

been trying to follow up and I have been trying to visit a number of the others.

Mr. Sweeney: Where has this kind of stock actually been used to demonstrate its effectiveness?

Hon. Mr. Pope: Finn-pots originated in Finland.

Mr. Sweeney: No, I am saying here. Have you actually used any of this stuff yet?

Hon. Mr. Pope: Yes, sure.

Mr. Sweeney: Where?

Hon. Mr. Pope: Often, all over the province.

Mr. Stokes: Tubelings, but not of that particular design of tubes.

Hon. Mr. Pope: Not of that design, but we have actually been doing experimental planting of different kinds for quite some time now. That is why we settled on the Finn-paper-pot.

Mr. G. I. Miller: Are these used in southern Ontario, for St. Williams?

Hon. Mr. Pope: Not as much, no.

Mr. Sweeney: There are all kinds of numbers here, but I still do not know where the thing is actually working to demonstrate this. I would quite frankly be quite happy with one for one, let alone two for one.

Hon. Mr. Pope: I am just going through all of these, and what you do is to have in effect existing private agreements totalling 22.18 million.

Mr. Stokes: Some of these agreements were signed with the nurseries only six or eight months ago, so it is in its infancy.

Hon. Mr. Pope: The seedlings are there. If you want, I can show you pictures if that will help you. We have also entered into actual contracts with private individuals, as Mr. Stokes pointed out a little earlier, with respect to actual planting. We have actually gone out to tender on that as well, in addition to our own efforts through our own employees and casual labour and seasonal labour.

Mr. Sweeney: When is all this supposed to start?

Hon. Mr. Pope: It has been going on. It is going on now. We entered into—was it through the Nipigon office where six or seven contracts were set?—and then we moved on to Geraldton.

Interjection: It was through your Port Arthur office.

9:40 p.m.

Hon. Mr. Pope: Yes, and now it has gone to Geraldton, I think. They advertised for tenders for replanting that stock, and probably four weeks ago the tenders came in, so they must have been awarded by now. I do not know who got them. Be that as it may, what I am trying to say is that the actual organization, not only of the production, but the planting of the production is already in place and operating.

Mr. Sweeney: So what kind of a time line are you looking at now?

Hon. Mr. Pope: These existing private agreements are actually going into production this year. They are bound by contract to do it.

Mr. Sweeney: In one, two, three, ten years, or what?

Hon. Mr. Pope: No. It takes three months to produce the seedlings in the nurseries. Then you have to put them out for a hardening process.

Mr. Sweeney: Then they have to be put in the ground. They have to be monitored to see whether they are going to grow and, I hope, be replaced if they do not.

Hon. Mr. Pope: Yes.

Mr. Sweeney: What is the time frame here?

Hon. Mr. Pope: A hundred years.

Mr. Sweeney: In other words, you are starting a program now that is going to be ongoing every year from now on?

Hon. Mr. Pope: We have five-year management contracts for these nurseries. We are committed under our forest management agreements, 20 years renewable for 20 years, to provide the stock on demand by those companies. Otherwise, we are in breach of the forest management agreements. So we have locked ourselves into it.

Mr. Stokes: With an annual audit?

Hon. Mr. Pope: Yes.

Mr. Sweeney: That was going to be my next question. Who does the audit?

Hon. Mr. Pope: We do, using a variety of tools that might come under some dispute as to their effectiveness. We have a number of methods of auditing.

One of the greatest methods, I happen to think, is that we have so many people involved on a private contract basis both in production and planning. That whole system, I think, will tend to reinforce the commitment to it. In the whole system they will counterbalance each other in terms of getting the job done.

It is not just something away off in the future. The only ones we talked about being planning privately are under negotiation: one in Fort Frances and two in Dryden. I do not know where this fellow is—that makes three in Dryden.

We can give you their names because we have already given them letters of commitment.

Mr. Sweeney: Assuming you are starting now, when are these trees harvestable?

Hon. Mr. Pope: They will be mature in the forests between 60 and 100 years from now, depending on climatic conditions, soil types, and a number of other things, including the effectiveness of the treatment of the sites.

Mr. Sweeney: If you are talking about taking out one tree today and you are putting two in, those two will not be available for 60 years?

Hon. Mr. Pope: Yes.

Mr. Sweeney: What happens in that intervening period?

Hon. Mr. Pope: They grow. Do not forget, this is not new. The level at which we are doing it has increased. Our production last year was 95 million and the year before that it was 90 million. This has been growing over a period of time. It has not been a sudden blanket of 132 million trees.

Mr. Sweeney: You have been criticized all around for not putting enough in. Not enough of them are growing. If you put 100 in, you end up with—I do not know what the figure is; there are so many different ones.

Mr. J. A. Reed: Someone is claiming 75. It is a real good record if they achieve it.

Hon. Mr. Pope: All I am trying to put on the record is the fact that these are in place. It is not just a fantasy of anyone's imagination. I signed the contracts and, more important, I signed the cheques.

Mr. J. A. Reed: Is this an appropriate time to ask you if the whole technique of remote sensing is part and parcel of the monitoring of these lands, and what happens? Is it part of your remit?

Hon. Mr. Pope: It could be, but I think one of the more likely technical tools will be infrared photography.

Mr. J. A. Reed: You spoiled my case. I was trying to get the remote sensing on—

Hon. Mr. Pope: Did you want to go ahead? You are right. If you go to the future podium tomorrow, you will see some maps up there with

satellite data on them. You will see regeneration taking place, including recent cutovers and regeneration areas, and areas where it is not so successful. You will also see satellite data establishing peat bogs and hardwood versus softwood stands in great detail.

Mr. J. A. Reed: I know the remote sensing maps I have seen have shown clear-cut areas. They are very detailed. Just tell me, in terms of the remote sensing operation, are you going to make it a crown corporation?

Hon. Mr. Pope: I have not decided yet. There is a debate going on about that.

Mr. J. A. Reed: Is there any possibility you might find yourself in a bit of a pickle where the remote sensing is competing with private industry?

Hon. Mr. Pope: No. In fact, we have a clear policy. They are turning the technology and the information over to the private sector.

Mr. J. A. Reed: Thank you. I had to get that question in there, and I am glad I was not ruled out of order.

Interjection: It comes under forest management.

Mr. J. A. Reed: With remote sensing you can even tell if a tree is sick.

Mr. Stokes: You were saying?

Hon. Mr. Pope: As I indicated, the private plan is actually under negotiation. We settled on the production targets, the people and locations: three contracts in Dryden and one in Fort Frances.

They will produce a total of 3.3 million trees; those are containerized stock. That gets us to the figure of 131.98 million, which is the basis of the statement I made today. In 1985 we are predicting a figure of 148.98 million, which is the basis for the 150 million generalization I made today.

That includes planned MNR container concessions in our existing nurseries in the amount of five million. That will be 2.5 million in Swastika and 2.5 million in Thunder Bay.

Is that a quorum bell?

Mr. J. A. Reed: Is that a quorum or a vote?

Interjection: A quorum.

Hon. Mr. Pope: We have broken down future agreements to five million in the north-central region; 3.8 million in the northeastern; 2.7 million in the northwestern; and 8.8 million in the northern region.

In the northern region we have actually had proposals in from four different operators in

different areas, including Hearst. We wanted to get as far north in terms of what we normally consider the Highway 11 corridor. We are trying to get those private facilities in place along that corridor.

One of the main reasons, as I indicated in that first opening statement, was that one of the problems with mortality of the stock involved the greening of the stock occurring prior to the frost leaving the ground farther north. I will give you an example. In Swastika, where one of our major nurseries is, there is a two-week time gap between the greening and the frost leaving the ground north of Hearst. That was one of the reasons for the high mortality rate.

The only way to deal with that is to move on a private concession basis into some of these areas to provide the stock locally. That has solved some of the problems. That is part of the thinking as well.

Mr. Sweeney: Just for clarification, you use the term "greening." Is that the point when it is optimal for planting? Is that what it means? Is that this two-week differential between greening and frost?

Hon. Mr. Pope: Once it greens, there is a high mortality rate when you plant it. You are supposed to plant when it is dormant.

Mr. Sweeney: You are supposed to plant it before it greens?

Hon. Mr. Pope: That is right. If you do not, you have problems with mortality.

Mr. Sweeney: Is that where you get the new growth on the top?

Hon. Mr. Pope: Yes. I am aware of federal government studies that have taken some broad-brush strokes in terms of the national problems.

I have said on a number of occasions I prefer to deal with the regeneration and utilization problems we have, the growth of the industry and the growth proposed by the industry itself. I know there is some anxiety in the federal Ministry of the Environment with respect to the Canadian Forestry Service to have some additional funds from the Treasury Board. I applaud their efforts to get it.

I think some of the statements made with respect to recent articles are somewhat extreme, particularly when they quote from a UN report on deforestation trends attributable to the advance of the Sahara and the quest for fuelwood in India, and relate that to pulp and paper workers in Smooth Rock Falls about to lose their jobs.

9:50 p.m.

I think that there is a lack of consistency in their attributing one set of factors to a generalized statement about specific industries in Ontario. However, it would be nice to see some federal government funding with respect to certain specific forestry programs where I think we could all benefit on both levels. Hopefully that will be taken care of.

Regarding the backlog of unregenerated forest land of seven million acres, we are talking about acreages with not sufficient regeneration. That does not mean there is no regeneration taking place at all for all time. It means that in any one year certain acreages are not under sufficient regeneration for a variety of reasons. It could include, as you aptly described, the wetness of the soil or the soil being too rocky.

This is a problem that should be addressed. We have started to address those kinds of issues in the forest management agreements with our exclusions and deferred cutting areas and that kind of thing, but we have to do more work on that. It could also include areas to which there is not sufficient access during the planting season for regeneration or reforestation activities; it could also include some significant areas of the province in which there is outstanding stock of other species that have not been sufficiently harvested to clear the way for regeneration activity.

Mr. Sweeney: While you are talking about it there is a spot roughly 50 miles north of Sudbury where there are wide swaths of cutting and felled logs lying on the ground that have been there for about six or seven years. There is no regeneration going on there apparently because of all these logs lying all over the ground.

Somebody somewhere goofed in terms of not compelling the companies that did the cutting to take those things out. What do you do in a situation like that? There has been no regeneration there for all this period of time, other than the seedlings that drop from the nearby trees and there are not many of those.

Hon. Mr. Pope: What we have been doing using a combination of government programs and methods to clear the slash out, haul the wood away, make whatever use is left of it—sometimes it is very little—and then get on with the site preparation and the regeneration work.

Mr. Sweeney: How long does an area like that sit? I understand it has been there six or seven years at least.

Hon. Mr. Pope: It could be.

Mr. Sweeney: Do you have no staged plan till after two or three years or something you have to do and do something about it? You just do not leave it to sit there?

Hon. Mr. Pope: We have our areas of regeneration activity and of site preparation activity. Some of it is done directly by us on crown land. Other activity will be done with respect to forest management agreement areas.

Under the forest management agreements, for instance, there is a requirement to pick up five per cent of the backlog each year for the 20-year agreement. What you will see in significant areas, and it is significant areas under the forest management agreements, is that backlog slowly being eaten up.

Mr. J. A. Reed: By way of supplementary—

Mr. Stokes: Mr. Chairman, can we not get answers to questions we have already asked? He has not even responded to the leadoff remarks in forestry.

Mr. Sweeney: I did not think there was anything wrong with supplementary questions. There never has been before in any committee.

Mr. Chairman: No, but perhaps we are being oversupplementaried at the moment. Maybe the minister could go back on some of these, and I am sure we will have—

Mr. J. A. Reed: Mr. Chairman, as long as we ask supplementaries before we are finished, that is fine. However, sometimes—at least historically—we have always opened with a statement on a section and felt free to ask supplementaries if they were pertinent to the subject at hand, because it saved time.

Mr. Chairman: I think you can carry on with this.

Mr. J. A. Reed: I have some supplementaries to ask.

Mr. Chairman: Are they all related to the topic the minister is on at the moment?

Mr. J. A. Reed: They sure are.

Mr. Laughren: They are related to the hiring practices.

Mr. Chairman: Are they all related to the topic the minister is on at the moment?

Mr. J. A. Reed: They sure are.

Mr. Chairman: It does not matter to me.

Mr. J. A. Reed: The question I have is simple enough. Does the minister expect that the forest management agreements will eliminate this serious problem? In other words, do these forest management agreements require the cleanup of

slash? Do they also require the reforestation of all lands that are cut under the agreement?

Hon. Mr. Pope: On the five-year operating plans and the annual plans filed under the forest management agreements, I might add that the five-year operating plans and the 20-year management plans are subject to review at the open houses. For instance, we have started the Iroquois Falls forest management plan, the operating plan and management plan, where they had open houses in Cochrane and, I hope, in Iroquois Falls—

Mr. Stokes: One would have thought if you were going to be the critic for this ministry, you would have at least read a forest management agreement.

Mr. J. A. Reed: On a point of privilege, Mr. Chairman: I have a specific question here and I asked that question in order to satisfy the question I had in front of me.

Mr. Stokes: So then the forest management agreement?

Mr. J. A. Reed: All right. I have the minister's statement, which is in conflict with this one.

Hon. Mr. Pope: As I mentioned earlier, under the forest management agreement, there is a requirement to pull in five per cent of the backlog, or the not satisfactorily regenerated area, as you had referred to it, every year for a 20-year period. The net effect should be to bring that backlog virtually to nothing.

Will we never have that problem again in any other area? The answer is, yes, we will have that problem in the future. We may have some activity on the forest management agreement areas not taking place as quickly as we would like. We will have to monitor that and make allocation and allowable cut decisions on the basis of performance.

With respect to crown lands not under the forest management agreement, we will have to increase our efforts many times in order to make sure that the backlog is caught up with and that site preparation does take place and slash is removed through a variety of methods, some of which we have started this summer in co-operation with the federal government under section 38. We will have to keep working at it, but it will never be totally resolved in terms of never having any of these areas in which this kind of work is required that might exist in different parts of Ontario at any one time.

I do acknowledge what Mr. Reed has raised on previous occasions, namely, that this slash and the wood now lying in the bush should have

other energy uses. I have indicated earlier that BioShell has been established in Hearst and another BioShell plant was established in Iroquois Falls. We see that kind of activity expanding. As I indicated to you earlier, with respect to energy, there is some movement in the private sector.

We have been consulted with respect to methanol plants using the forest and the wood available in different parts of the province. I do not think it is necessarily accurate to say we are already four months behind Quebec.

The people involved seem to have some considerable knowledge of the technology. Certainly they have some idea of the volumes required and their production capacities. They have also presented some marketing information to us to indicate that there is a realistic market available for the product.

Mr. J. A. Reed: It is intriguing because the Minister of Energy (Mr. Welch) has repeatedly stated that the technology is not available and the costs are too high.

Hon. Mr. Pope: All I can tell you is what the private sector is saying. They have come to us with respect to certain arrangements for the supply of wood in certain parts of Ontario. We are trying to accommodate them if we can do it on the basis of our present requirements to other producers in that area. That is what is being discussed right now.

We have also been trying to encourage the utilization of some of these other species that exist in the not sufficiently regenerated areas, including waferboard plants. That started with the Mallette wafer board plant in Timmins some years ago. The official opening of the Grant waferboard plant in Englehart will be on July 15.

10 p.m.

Interjection.

Hon. Mr. Pope: That is possible.

They will probably use 90,000 cunits annually and there are other studies taking place in the private sector for additional waferboard plants. We have some interest in some sort of a particle board or plywood or veneer plant in eastern Ontario.

Mr. G. I. Miller: As a supplementary, is it chipped in the woods or at the plant?

Hon. Mr. Pope: At the plant. There is also some shipping of wood chips from plant to plant, both to the pulp and paper industry and to the waferboard plants. One of the really controversial issues in the woods industry is that of

chips and their supply to pulp and paper and kraft mills.

Mr. G. I. Miller: Shortage or price?

Hon. Mr. Pope: Price and surplus. From time to time there is a real conflict between suppliers and the users of the wood chips, the pulp and paper industry.

With respect to the private owners of forest land, we have a number of additional information booklets out, which we supplied to you last week, that indicate the programs available and the practices that should be used on the private lands. We do share your concern that private owners of land be fully advised of the benefits of forestry and forest management for their land. Perhaps the only way the message can be put across more forcefully is through some of the open houses, some of the contacts that our employees have with different groups and organizations in communities, and advertising.

One of our priorities over a period of years has been private land reforestation. One can right back to Simcoe county and some of the problems that existed there 60 years ago; they just celebrated their anniversary under the Woodlands Improvement Act and we hope continue our efforts in that area. A number of other programs we have had in place have had a beneficial effect on private lands reforestation.

Last, you mentioned senior citizens' camps in parks and conservation areas. A decision was made with respect to senior citizens that if camping for our senior citizens would be available during the week and outside of the summer months, but we were encountering some problems with respect to the capacity of our parks, which we are trying to address in the long term by the creation of more parks. They felt that on the weekends during the summer season there should be some payment.

Mr. J. A. Reed: What about daily use outside of camping?

Hon. Mr. Pope: Day use areas?

Mr. J. A. Reed: Yes, those specifically.

Hon. Mr. Pope: I think it is the same problem for both.

Mr. J. A. Reed: Does that apply to conservation authorities—that they must adopt those policies?

Hon. Mr. Pope: I am not sure if that is a decision of the conservation authority itself. I am not aware of our sending out any directives to conservation authorities to apply those policies.

their areas, although I assume they are aware of our policy.

Mr. J. A. Reed: I guess the only other thing I asked you was how many of these forest management agreements are in the works now? When do you expect those on line?

Ion. Mr. Pope: They are negotiations going on with respect to five additional agreements.

Mr. J. A. Reed: To be signed in 1982?

Ion. Mr. Pope: There are four different companies and there are five different forest management agreements that may or may not be signed during 1982. I happen to think there are a couple of other priorities. We will also be dealing with them in 1982.

In what order they are signed and whether or not they are signed during the calendar year 1982 is something that it is a little early to predict right now. I can tell you that the bases of the FMAs are already contained in the land use planning documents.

Mr. J. A. Reed: What about harvesting in the parks? You did not touch on that policy.

Ion. Mr. Pope: That was deliberate because that is one of the issues in the land use planning exercise that has been addressed. Everyone is entitled to have his say during the open houses and in letters to me, and I have received a lot of letters on that issue. I will not say which way the preponderance of the letters goes, but I think wise people in the room would know.

Until the open houses are finished and until some further processes are engaged in with respect to those issues, we will not have a set policy.

Mr. Kolyn: I just want to go back to the seedling bit for a second. When the seedling stock is planted, how does the adverse weather affect it in the wintertime? Say we get an extremely cold winter, do we lose much over the winter, or does the snow pretty well protect it or do we get a snowfall?

Ion. Mr. Pope: You mean once it has been planted?

Mr. Kolyn: For instance, you are planting them now. Suppose we have a really severe winter in some parts of the north. Does it bother them or are they pretty hardy?

Ion. Mr. Pope: The expert here says it does not bother them too much.

Mr. Stokes made a number of comments based on his experience and knowledge of the forestry sector of my ministry about Mr. Armson, who was hired after he produced his reports in

which he linked harvesting to regeneration. Those concepts have been included in the forest management agreement and are one of the bases of it.

I do happen to agree on the requirement to be selective in sites and type of stock that we are using for our reforestation efforts. I think that is part of the reason the annual plans and the five-year operating plans and management plans are under scrutiny under the forest management agreement system.

There have been different successes with different species of trees. I am told on the 2-2 stock—actually the container stock after one year has a high level of success, and I think you indicated that from the Scandinavian experience. Some other species, like jackpine, seem to have even more outstanding success at 2-0. You are right that there is a wide variety and we should be selective.

Mr. Stokes: With jackpine you do not have to use seedlings if you pick the right area. It just seeds; you have aerial seeding.

Hon. Mr. Pope: I think we did do some research originally with tubelings and came to the same conclusion you have indicated here today. We are getting away from that and into the thin pots as the way to go in containerized stock. I presume you are probably aware of a lot of the research and the reasons behind that more than I would be.

A number of issues with respect to Mr. MacAlpine have come up before in the discussions of the estimates. I have been taking the position that as soon as the matter is resolved in the appeal processes we will probably be involved in some further discussion of this matter in some form.

We probably have a difference of opinion as to what led to the firing and that may never change, but hopefully after it is all over I can have a chance to express my feelings on what I was advised at the time and what my reaction was in reading the transcripts and the documentation.

A number of the issues you raised with respect to forest resource inventories are tied into that appeal and I do acknowledge that what you indicated with respect to the state of affairs in that part of the province is accurate. I think that is all that I really could say at this point.

Is there anything else I did not deal with?

Mr. Stokes: Yes. I mentioned the wide infor-

mation gap between the forest industry and those who are—

10:10 p.m.

Hon. Mr. Pope: Yes, you did. I am sorry.

I do acknowledge that different groups seem to have different information and different factual bases for their position and there does not appear to be consistency. We are trying to monitor the statements that are being made. When the open houses are completed and when further discussion takes place among the groups, we do intend to follow the suggestions contained in a recent editorial from a Thunder Bay newspaper, and that is to come in and attempt to get some reasonable compromise on a common factual basis.

That work lies ahead of us, but I think we have to give more time for the other individuals to have their say in the open houses and to assess their reaction as well. Then we will try to iron out the major conflicts that are carried on. I do agree with you, it serves no one's purpose to have the conflict continue indefinitely and have people confused by a number of facts and persuasive arguments thrown from both sides of the issue.

At the appropriate time, at the end of the open houses, we are going to try to address that issue in a number of new ways that we will then be putting forward to the public for consideration.

Mr. Stokes: How many acres and what percentage of the forest lands in Ontario are dedicated to parks?

Hon. Mr. Pope: I have analysed those statements and I really do not want to get into assessing credibility at this time, although we will give you all that factual information. I can tell you that, depending on the land base you acknowledge, probably both or all three of them are close to being correct, strange though it may seem.

Mr. Stokes: They are just coming from—

Hon. Mr. Pope: Different sides. One is total land, one is forestry land and—

Mr. Stokes: Productive land.

Hon. Mr. Pope: —productive forest land. All of the figures appear to be close, but they are coming from different perspectives, not on the percentages but on the base they are using to calculate the percentage from.

Mr. Stokes: I have a right to know and the public has a right to know. If they read this

garbage, they are going to say, "Does anyone know what the hell is going on?"

Hon. Mr. Pope: We agree with you, and at the conclusion of the open houses we are going to start our next phase in which we will be more forcefully putting out the facts as we know them and, through directly working with the interest groups and also through other public forums, directly attempting to resolve the conflicts in a reasonable way.

Mr. G. I. Miller: Is mining in these parks going to be given consideration? Does that go into consideration then whether the parks—

Hon. Mr. Pope: Everything is open for consideration.

Mr. Stokes: Mr. Chairman, I move that the standing committee on resources development provide proper notice through newspaper advertisements for the public hearings on Bill 115 scheduled to begin on June 28, 1982.

Mr. Chairman: What has that got to do with the estimates?

Interjections.

Mr. Chairman: I have scheduled time to discuss that on Thursday night with—

Mr. Stokes: The reason I am raising it now is that you issued a release this afternoon, an immediate release, dated today, saying: "The standing committee on resources development has been authorized by the Legislature to meet to consider Bill 115, An Act to amend the Retail Sales Tax Act. The committee is inviting the public to submit briefs to the committee for consideration. Briefs should be sent to Mr. Richardson. Submissions should be in the hands of the clerk as soon as possible and not later than July 5."

"The committee is also inviting organizations or groups who have a special interest in the proposed changes to the Retail Sales Tax Act to appear before the committee. Groups or organizations wishing to appear should contact Mr. Richardson at 965-1406 as soon as possible."

"The dates for the hearing are Monday, June 28, afternoon and evening; Tuesday, June 29, afternoon and evening; Wednesday, June 30, morning and afternoon; Monday, July 5, afternoon and evening; and Tuesday, July 6, afternoon and evening."

"The bill is to receive final clause-by-clause consideration on Wednesday, July 7."

If you wait until Thursday, how are people going to know they have an opportunity to make a submission to this committee on Bill 115?

the only thing you are going to do is advise the public by way of this press release, you are going to rely on the diligence of the members of the media, and I do not see any of them here.

What are you going to do to advise the public? I am sure there are a good many people out there—whether they are small business men, whether they are farmers, whether they are people who, for whatever reason, are going to buy all of the products that are going to be bought under the umbrella of this seven per cent retail sales tax—and how on earth are you going to get the kind of input one would normally expect from public hearings such as we are going to engage in, beginning on June 28, which is next Monday, if you do not at least make an effort to let the public know we are engaged in this exercise?

A rough calculation says there will be 30 hours of hearings before this committee. If there is not sufficient notice to the public advising them of the opportunity to make submissions to this committee, it is going to be a pretty useless undertaking. I think we should, as a committee, if we are interested at all in communicating effectively with the public, and obviously this is our job—

Mr. J. A. Reed: On a point of order, Mr. Chairman: Is this in order? It seems to me that the same honourable member not an hour ago was castigating us for asking supplementaries when the minister was making his reply on some of the most important issues in the estimates of the Ministry of Natural Resources. I would like to ask where the sense of values lies here.

If this was a matter of urgent public importance, why was it not tabled at 8 p.m. tonight when we sat; or if it was a matter of urgent public importance, why was it not tabled last Tuesday evening when the schedule of business for the sessions was known?

I have no objection to advertising to get public input; I think it is absolutely essential that we get as much public input on that bill as possible. I would just like to ask, in the name of common sense, how it is that the honourable member can castigate some members of the

opposition who are asking supplementaries and then take up the time of the committee on an entirely different subject?

Mr. Chairman: I do not know that I can answer that question.

Mr. Laughren: Mr. Chairman, I know you know the problem we face. I believe you took part in the discussions earlier about this whole question. I think the issue is fairly clear. It is not that we are trying to disrupt the committee or pull any surprises.

Mr. J. A. Reed: Why was it not brought up when the chairman made contact with the various members—

Mr. Laughren: It was brought up. Your House leader knows about the problem.

Mr. J. A. Reed: Why was it not raised at eight o'clock tonight?

Mr. Laughren: I do not see what that has to do with it, whether it is at the beginning of the committee or the end.

Mr. J. A. Reed: Is it a matter of such urgent public importance that it can interfere with these important Natural Resources estimates?

Mr. Laughren: You cannot advertise tonight anyway, so as long as the decision is made, that is all that really matters.

Mr. J. A. Reed: Nonsense.

Mr. Williams: We concur with the observations of the member for Halton-Burlington (Mr. J. A. Reed) that we seem to be entertaining a motion that is out of order and not in keeping with the matter before the committee, which is vote 2504 of the minister's estimates. I would think the observation made by that member is quite valid.

Mr. Chairman: I think we are running out of time. Some might say I was saved by the bell. We plan to finish the Natural Resources estimates tomorrow morning. If that means going to one o'clock, we are prepared to do that. We will play that as we get to it.

The committee adjourned at 10:22 p.m.

CONTENTS**Tuesday, June 22, 1982**

Lands and waters program.	R-41
Resource experience program.	R-41
Resource products program.	R-41
Adjournment.	R-41

SPEAKERS IN THIS ISSUE

Andrewes, P. W.; Vice-Chairman (Lincoln PC)
Harris, M. D.; Chairman (Nipissing PC)
Kolyn, A. (Lakeshore PC)
Laughren, F. (Nickel Belt NDP)
Miller, G. I. (Haldimand-Norfolk L)
Pope, Hon. A. W.; Minister of Natural Resources (Cochrane South PC)
Reed, J. A. (Halton-Burlington L)
Stokes, J. E. (Lake Nipigon NDP)
Sweeney, J. (Kitchener-Wilmot L)
Williams, J. (Oriole PC)



No. R-17

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Resources Development
Estimates, Ministry of Natural Resources



Second Session, Thirty-Second Parliament
Wednesday, June 23, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Central Purchasing Service, Print Procurement Section, Ministry of Government Services, 8 Floor, Ferguson Block, Parliament Buildings, Toronto M7A 1N3. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.



LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, June 23, 1982

The committee met at 10:08 a.m. in committee room 228.

ESTIMATES, MINISTRY OF NATURAL RESOURCES

(concluded)

Mr. Chairman: I call the meeting to order. When we adjourned last night we had a motion, which I understand has been withdrawn.

Mr. Stokes: In the light of the information provided me by the chairman and the clerk of the committee that there is ample interest and it is not a question of a shortage of people who would want to make a submission, but a question of trying to fit them all in. On the basis of that information, I will withdraw the motion.

On vote 2504, resource products program:

Hon. Mr. Pope: I have a couple of points. Over the course of the estimates a couple of things have come up and there are a couple of pieces of information I should leave with the members that might clarify things.

I did some reviewing, in light of Mr. Laughren's questions, and I find that there are two charges that have been outstanding for some time with respect to overfishing by two particular individuals. The cases have been adjourned for some considerable period of time because of fishing negotiations. Mr. Laughren had indicated that it was his information there were some charges outstanding with respect to overfishing involving native people in the Kenora area. I had said I did not think there were.

It turns out that Mr. Laughren is right, that there are two individuals who had been charged with overfishing some time ago. Those cases have been adjourned and will not be dealt with until the fishing negotiations are over. There are further negotiations going on directly with those individuals. I just wanted to straighten that out now and I will tell Mr. Laughren later.

We did do a survey of rural lands and land owners of Ontario with respect to forestry on private lands. We sent out a total of 12,400 questionnaires and the response was 76 per cent. There were 34 questions in it. Sixty-three per cent of the owners had owned land for less than 21 years, and that does have some effect in

terms of planning for forestry and whether or not there would be long-term commitments to forest management in the minds of the land owners.

The majority of owners, 65 per cent, held forest property for reasons other than primarily for wood production. About 28 per cent of those land owners had, in fact, sold forest products from their property. So about 28 per cent of all the respondents had been involved in the sale of some wood supplies to a variety of sources. Seventy-two per cent of the land owners had not themselves harvested wood for commercial purposes but consider they are holding the wood for their own use and for recreational and environmental values.

There is a high proportion, about 80 per cent, who are unfamiliar with the ministry's private land forestry programs; 86 per cent of the owners who had received ministry assistance stated that they were satisfied with it. Farmers still constitute the largest single ownership class, 45 per cent.

I guess those figures pretty well support your contention that there should be some more education and information conveyed to the private land owners with respect to our forestry program. In light of that, we are getting some more information out directly and working with them to try to have more of them consider the values of private woodlot production as a means of utilizing their land.

It will improve, for instance, in parts of eastern Ontario as the hybrid poplar program comes on stream, where they rent marginal land out from the farmers and get involved in three-year harvesting cycles of the hybrid poplar. That goes to the pulp and paper mills, particularly the Domtar one in Cornwall. That will heighten awareness in that part of eastern Ontario and perhaps it will change the numbers. Other than that, our survey indicated that your assessment was accurate.

Those are the only points I had.

Mr. G. I. Miller: Can I have a supplementary on this issue as far as southern Ontario is concerned? We have a lumber company, Townsend and Abbott, which is promoting woodland management in the area. They are

using a trimmer to trim out the woodlots so that they leave the best stands. I wonder if the minister is aware of this. They also use a chipper to chip it and they are working up a use for those chips. They already have a small demand and they are trying to utilize it for heating greenhouses at Fern Lea and Courtland.

They are trying to get information on what might be available from a grant support program to develop this. I wonder what your views are on it and if you are aware of it.

Hon. Mr. Pope: Are they dealing with hardwoods?

Mr. G. I. Miller: Yes, hardwoods mainly.

Hon. Mr. Pope: It would not fit into the hybrid poplar program under the terms of it. It certainly would be a similar program. We could probably get them information on what is outstanding at this time in the energy field, the industrial field and the resource field. I do not know which program they could tie into, but there are a number of them.

Mr. J. A. Reed: The federal-provincial energy—

Hon. Mr. Pope: That is one of them, and BioShell, I think, has used that program for its two projects in northern Ontario. Naturally, it supplies wood pellets for the Abitibi-Price mill in Iroquois Falls. The BioShell plant is there. It is also engaged in negotiations to supply energy to a proposed nursery property adjacent to it in Iroquois Falls.

There are a lot of potentials. If you could give me the details, we would probably see if we could put something together for them.

Mr. G. I. Miller: I think already we have been in touch and I just wanted to bring it to your attention again. They cut about two million to three million board feet of lumber a year, or have until things got a little slack. They feel that by woodlot management in southern Ontario they are going to have a good product in 75 to 80 years. It is a renewable resource. In southern Ontario there is a need for reforestation and emphasis thereto. I realize we have been discussing the north, but sometimes southern Ontario is forgotten in the subject in question.

Mr. Kolyn: We have the majority on the committee now, us southern Ontario guys.

Mr. G. I. Miller: I might indicate too that I have never seen so much wood being utilized for heating purposes. It is moving by the truckload. For example, Rascals at the corner of Highway 6 must have about a quarter of an acre covered with wood for next winter's use. It is becoming a

major source of energy, so we have a motive for reforestation and improving our woodlots in southern Ontario.

Mr. Chairman: How much are they selling it for? I have about 40 cords for sale up at North Bay. Can I truck it down here and make some money?

Mr. Kolyn: It is about \$90 a cord right now in Toronto.

Mr. Chairman: Single?

Mr. Kolyn: I used to buy mine at Simcoe with my brother.

Mr. J. A. Reed: A single cord?

Mr. Kolyn: Yes. It is around \$90 delivered.

Mr. Chairman: I think I can truck it down here.

Mr. G. I. Miller: I think it is a good idea.

Mr. Andrewes: Bring it down in the trunk of your car.

Mr. Chairman: Next fall I will have a truckload for sale every week I come down.

Mr. Kolyn: You and Floyd Laughren should get together and get a trailer load and split it up.

Mr. Chairman: Is this the barter system coming back in? I am sorry, I misdirected the committee here.

Hon. Mr. Pope: In terms of southern Ontario programs, the truth of the matter is that in the last 30 to 40 years a great deal of ministry effort and probably a northern Ontario member might say the majority of ministry effort and funding has been into the county forest system and the Woodlands Improvement Act system, with varying degrees of success, I will admit. There are still some problem areas left where we cannot even get municipal councils to pass bylaws under the Trees Act. Certainly in the Simcoe area, or what we would call central Ontario, there has been a lot of effort and money put into developing the county forest system, right on through north of Embrun and into some of the eastern counties.

It is true that we now have to refine our programs and get them more directly into the hands of the private owners, as Mr. Reed was making the point earlier, and make sure that the programs are serving the needs of southwestern Ontario particularly, where there is a growing concern about the forest cover. I have seen that concern as I have travelled around southwestern Ontario.

Mr. J. A. Reed: Just as a supplementary that, and we are talking particularly about

southern Ontario, from time to time various districts have made agreements with private individuals to take firewood from crown-owned woodlots, and some of that has existed in Halton region in the past. The practice, in some areas at least, has been abandoned because of the perception that the woodlot is not well managed when a private individual goes in, or is not often well managed, because certain trees are taken which should not be taken and others are left on the ground which maybe should be harvested.

I am wondering if there is any policy in the ministry regarding private cutting on crown land, considering that there is an increasing demand for energy alternatives. I know in my own constituency office I have had some telephone calls from individuals who would like to be able to enter into some agreement on a small tract or a small portion of a crown woodlot for the purpose of being able to obtain firewood and, hopefully at the same time, properly managing that piece of woodlot.

100 a.m.

This probably ties in with my comments about the need to educate those individuals who either own forest lots or who have access to forest lots. It would seem to me that such a program could be successful if the people going in received some training in advance and knew what they were about. I realize it is impossible for foresters in those areas to supervise every acre cutting that goes on. That is probably why the program has been, for all intents and purposes, abandoned in some areas. Does the minister have any comments on the prospect of doing something like that either by licence or by individual agreement?

Hon. Mr. Pope: We try to make management advice available on a demand basis to the owners of the woodlot. We will go in and not only advise them on general management issues, but mark the trees to be taken each year upon request. Our Woodlands Improvement Act has enjoyed a fair amount of success and we are going to expand it. We have a 10-acre minimum size under that act; that is really the only restriction we have on that. We have 10,000 agreements under the Woodlands Improvement Act now in place with different landowners, so it is growing and a lot of people are taking advantage of it. I will agree, again, that there is a regional aspect to it. In southwestern Ontario we have to make more inroads in terms of signing up more land owners into the Woodlands Improvement Act system.

Mr. J. A. Reed: Yes. I appreciate your comments. I am thinking now of areas that are crown tracts, crown-owned forests, where there are forests which are really not being, and cannot be by virtue of the manpower problem, as well managed or as completely managed as they might be, where there are some local individuals who might desire to gain their annual wood supply, or whatever it happens to be, by harvesting the proper trees. It has been suggested to me that it was tried in one district and did not work out very satisfactorily.

Hon. Mr. Pope: There have been some problems in different districts; there is no doubt about it. Generally, we operate on the basis of giving out permits for some of the crown and cut trees for fuel on crown lands. Also, if there are more sizeable areas to be harvested and if we feel the needs for fuelwood in the district have been met, we would then go into a tender system for actual contracts to cut a certain number of units of wood. Those would be smaller manageable areas.

I guess the truth of the matter in terms of fuelwood is that it is virtually on a permit system based on where we think the stands of appropriate timber are located. I know in my district it is mainly birch stands that everyone goes for. We mark out the stands that are available and when people come in to see us about it and want a permit, we will direct them to the appropriate area and make sure they are aware of what species are to be cut. Some people still prefer the self-help method, which causes us some difficulty.

Mr. J. A. Reed: The midnight forester.

Hon. Mr. Pope: The midnight forester. Basically, we try to have a mix so that individuals, not necessarily those deeply involved in the wood production industry, do have access to it. But there have been some problems in a couple of areas.

Mr. G. I. Miller: As a supplementary to that, would you consider having your ministry use maybe 100 acres in South Cayuga—that is really not crown land, but it is certainly government-owned land—and utilizing that as an experimental station? You could develop good forest management practices to show the people in the area what can be done and how they could start a new nursery to regenerate that part of the Niagara Peninsula. Would you give that some consideration?

Hon. Mr. Pope: We have already discussed it with the Ministry of the Environment.

Mr. Kolyn: Do we not have a forest conservation area there?

Mr. G. I. Miller: At St. Williams. The same one.

Mr. Kolyn: There was one on Highway 3 at one time. As you come into Simcoe, there was a forest station, or was that just a seedling experimental station?

Mr. G. I. Miller: I think St. Williams is only reforestation. There are several farm agreements or woodlot agreements and they are reforesting some waste areas. Some progress is being made in that particular area, but I feel that would be a good use for a portion of the South Cayuga land and we could spring from there.

Mr. Chairman: We will go to Mr. Laughren, who has a few questions. No doubt the minister's reply to those will lead to further supplementaries.

Mr. Laughren: Mr. Chairman, I want to raise some issues under forestry, parks, land use planning, cottaging policy and mining, in that order. You can see I am in an organized frame of mine this morning.

With forestry, over the years I have tended to sidle up to my colleague the member for Lake Nipigon (Mr. Stokes) whenever I wanted to feel like a tree or think like a tree.

Interjection.

Mr. Laughren: Now don't be mean. I am about to say something nice, which is very unusual for me. Anyway, a eucalyptus.

Mr. J. A. Reed: A gum tree, a palm tree, a solid oak.

Mr. Laughren: I am sorry I said anything.

The member for Lake Nipigon has made a significant contribution to forestry in Ontario, and I do mean that. When I look at forestry, the whole question of regeneration keeps coming back to me as it does to everyone who studies the issue. All the reports done over the years invariably talk about a supply crisis. They may hedge it by saying there is a supply crisis in certain species, and so forth, but basically that is the conclusion they come to. We are heading for a supply crisis, we are in it now with certain species and we should be concerned.

One thing that bothers me is the quality of regeneration. You can have regeneration but is it the quality we should be getting to meet the production policy goals? The minister said the other day that the target is still 9.1 million cunits, but it is a moving target. I believe that was his phrase. This leaves him a lot of leeway in the years to come. If that target changes, he can

say, "I remember back in 1982 I did say it was moving target." To say we have a moving target as our goal really is not addressing the problem in a very honest way. I do not know how he can go on playing the kind of game where he uses language like that.

The minister told us the other day that the cost of regeneration by 1986—I believe that the correct year; it could have been 1985, but I think it was 1986—would be \$201 million, and he used current dollars, 1985 or 1986 dollars, would be about \$250 million per year. When I look at this year's budget for the ministry, it is around \$360 million for the entire ministry.

I would like some indication from the minister again, because he was very vague in response to my question during the leadoffs, where the money is going to come from. That is an enormous amount of money in a period of restraint, not to mention in good years, of revenues. I would like to know where the money is coming from for regeneration costs.

10:30 a.m.

The second matter is the cost of roads. The minister has talked about the cost of roads, but I do not understand that figure is now going to escalate as the industry clues itself into the fact that the ministry is paying for roads and they can get cheaper and more convenient access by simply demanding more roads under the forest management agreements. The ministry picks up the very big cost of roads in Ontario.

I know there are ceilings on the costs per mile, but nevertheless it is an enormous cost to the public treasury. I would like to know what the latest figures are on the cost of roads under the forest management agreements. If the rubblings I am hearing are correct, those costs are going to escalate and that \$2 million a year in 1981 dollars in five years, if you add the cost of roads on to that, is going to be very substantial when all 30 forest management agreements are signed and operating.

I was thinking about the access guidelines for roads. I do not know whether that is the final word or what the status of that is. Is that the final say on roads for guidelines?

Hon. Mr. Pope: No.

Mr. Laughren: I would like the minister to respond to that. I would also like to know what the ministry thinks it should be consulting with it comes to the location of roads for forest access purposes. I think of the hassle of Atikaki and the conflicts you could attempt to resolve with proper consultation on the location

of roads. There are not just tourist operators, but there are all sorts of people who have something at stake in the location of the roads. The minister should have a policy that certain groups are automatically consulted when the location of a road is to be determined.

I have a brief word on Quetico, one of the minister's favourite issues. I believe the parks council submitted a brief to the minister and the minister has an obligation to respond to them. That brief and response are both published in the parks council publication. I believe that is the normal process and I am wondering what is happening there. I think I asked the minister that before and, to be honest with you, I cannot remember the answer.

Hon. Mr. Pope: The answer is after the land use planning process is completed we will give you both the report and the response.

Mr. Laughren: After the land use planning?

Hon. Mr. Pope: Yes.

Mr. Stokes: Do you mean after the end of this year?

Hon. Mr. Pope: Yes.

Mr. Stokes: It is too late then.

Mr. Laughren: That ties in with the interest in this issue because I am sure the minister is aware of the Sampson furniture project up in that area. I would be interested in knowing what the minister's thoughts are. If his ministry people are speaking the straight word, and I assume they are, then there is not going to be the necessary supply of white pine for that operation. It is generally conceded by everyone on the scene that it is not a sustainable supply.

I would like to know where that white pine is going to come from because it is very clear the present supply of white pine will not meet their needs on a sustained basis. I would be very interested in knowing what the minister's thoughts are on that because it is not entirely separate from the Quetico question. I believe the minister has an obligation to discuss that supply of white pine openly and in an honest way.

The same thing bothered me when I saw an ad in the paper—I am glad Mr. Yakabuski is not here today—that said: "Forest Industry Development Opportunity: The forests of central and eastern Ontario produce an estimated one million cords of wood which are surplus to the requirements of existing industry. This fibre, sourced approximately equally from public and private land, is primarily suitable as pulpwood or as furnish for reconstituted panels. The Ministry of Natural

Resources is interested in discussing this development opportunity."

It shows a map with a block in the Bancroft area. Did you see your friends out in the parking lot this morning, by the way, demonstrating? They were asking for you.

Hon. Mr. Pope: No, I did not. How many of them were there?

Mr. Laughren: They had placards which said, "Pope bumbles on," or something like that. I cannot remember the exact words.

Hon. Mr. Pope: It is obviously a sign that they are content with the efforts of their local member if they can get only six people out there.

Mr. Laughren: Wait a minute. That is very unfair.

Hon. Mr. Pope: What happened to the local member yesterday is very unfair.

Interjection: There was another group demonstrating in front of the Hydro building.

Mr. Laughren: You and your people cannot run your campaigns all the time by saying: "Elect a government member and nothing bad will happen to you. You will get all the largess of this government if only you have a government member." I have heard that for 10 years in my own area.

Hon. Mr. Pope: Have you? Did it work?

Mr. Laughren: It has not worked in Nickel Belt, but it worked in Sudbury. Boy, are we ever lucky in Sudbury that we now have a government member. Things have never looked better since you elected Jim Gordon—the layoffs and everything.

Mr. Kolyn: You have been reading Gordon's press releases.

Mr. Laughren: Yes. Do not read the news reports. They are not the same as the press releases, I can assure you.

The minister and his colleagues cannot expect to use those kinds of arguments all the time without the chickens coming home to roost when something goes wrong in their own ridings. That is exactly what has happened here.

Hon. Mr. Pope: Now that we have established that it was a political exercise yesterday, that is fine.

Mr. Laughren: What do you think the Legislature is?

Hon. Mr. Pope: Exactly.

Mr. Laughren: Are you saying we should take

politics out of the Legislature? You guys would like to run your own party—

Hon. Mr. Pope: I am agreeing with you.

Mr. Andrewes: Mr. Chairman, is the question related to vote 2504?

Hon. Mr. Pope: I completely agree with you.

Mr. Laughren: I think maybe you had better lay off your sarcastic interjections, or I will get into your hiring practices again.

Mr. J. A. Reed: You are becoming less relevant as the minutes go on. I hope you get back to the subject.

Mr. Laughren: After what I said about southern Ontario, you say that to me?

Interjections.

Mr. Laughren: I would like to know, when the ministry is putting in ads like that, if there is that much surplus wood in that area, why there is so much logging going on in Algonquin Park? Perhaps the minister could tell me what the relationship is between the ad and the supply of pulpwood and the logging in Algonquin Park. I really do not know the answer to that. It is not a setup question, but when I saw that ad, it struck me as strange.

The other question I had asked the minister had to do with the acreage required under the old Reed tract of land. To what extent Great Lakes Forest Products Ltd. is going to want a big slice of that or not, I do not know. I think I asked the minister that in my leadoff questions. Either he answered and I have forgotten or he did not answer. I do not know.

I can either stop and get answers to the forestry questions or I can move on to the other areas, whichever you choose.

Mr. Chairman: It might be more expeditious if you carried on.

Mr. Laughren: On the parks question, the minister and I had an exchange during the leadoff about nature reserves in the northeast. The minister said there were more than two.

I think where we had a difference of opinion was that I was regarding the district level, and he was regarding all of northeastern Ontario. I was wondering about the situation which would occur when the land use planning process is finished in areas like the northeast where, in my view, there has not been very much work done on the selection of parks.

10:40 a.m.

What would happen with, for example, a nature reserve park, which might not be very big but might be something unique that should be

protected and which has not been set aside or declared as a candidate reserve park? What happens if in one, two, or five years it is deemed appropriate to set aside, for example, a nature reserve? What is the process for adding a park like that to the list? How do we get at that? I am concerned about it because I think it would be quite easy to miss in particular a natural reserve kind of park. I would be interested in knowing how you would do that.

Also, as we go through this autumn period leading up to the finalized land use planning process at the end of this year, how do the district managers fit in? If they decide there should be a candidate park identified and added to the list before anything is finalized, how do they do that? What role do they play in rejecting anything that is in that land use plan between now and the end of this year, when the minister is going to take all those land use plans that have been mailed to my house and, I assume, mailed to his house as well—

Hon. Mr. Pope: No.

Mr. Laughren: I know you would not do that to yourself. Read them all very carefully. I can see the midnight oil or peat burning now and the minister reading each of those carefully.

What is the role of the district manager here? What role is he going to have?

Interjection: Peat burning.

Mr. Laughren: It seems to me that the district managers are in a funny position in this whole process.

Mr. Stokes: Not as bad as their foresters.

Mr. Laughren: That is right. You can identify a park area and be disagreed with by the minister, and nothing happens to you. But if you identify an inadequate forest inventory—and the minister, not even the deputy, disagrees with you—you are in trouble. Where is the Minister Foster by the way?

Mr. Stokes: Where is the deputy?

Hon. Mr. Pope: In Timmins. Are you not glad of that? He was in Sault Ste. Marie yesterday believe.

Mr. Laughren: What is he doing? Making presentations at the open houses?

Hon. Mr. Pope: You never know.

Mr. Laughren: Has the minister approached the parks council to help in the selection of the candidate parks?

Hon. Mr. Pope: Yes.

Mr. Laughren: I would be interested in knowing

what role the parks council is playing in this because it would seem unfair to me to have the parks council there and not use it properly. In reviewing the proposed candidate parks, in the blue book and so forth, that would seem to me to be appropriate.

Also, rather than having the blue book reviewed at the open houses, I always thought it would be better to have the parks council put that under their wing and hold meetings, public forums and so forth, to discuss parks. In that way you would have a focus on parks at public meetings, rather than having that topic mixed up with all the other things.

I am not saying they should be excluded from the open houses because that is important too, but I do not think you are using the parks council the way you should. It is supposed to be advising you on policy for parks and so forth.

In my leadoff I also mentioned the whole question of the interim guidelines on parks. That bothers me in terms of generally protecting them and specifically in regard to mining. How do you protect the parks? If mining is done here, what are the guidelines on a mining operation in a candidate park when it is under interim guidelines? It must be a tall order to give any kind of sane guidelines on a mining operation, given how rough such an operation is and the kind of things they can do. I would like to have some specifics, if at all possible, on what the guidelines are for a mining operation in a candidate park. I worry about that.

There is one other thing I wanted to ask you about parks. The Globe and Mail did an article on parks on June 11. I had just finished complimenting the minister on the number of parks he was committed to bringing on stream next year. I said that was a good thing, that I was impressed with the numbers and that it looked as though the minister was serious about parks. Then I picked up the Globe and Mail. An article in it by Shirley Teasdale said: "He (the minister) did say a number of new parks are planned for the future, but that they will be created from existing provincial park reserves that can be turned into fully fledged parks at little expense." That an accurate quote?

Hon. Mr. Pope: Absolutely not.

Mr. Kolyn: Do not believe the Globe.

Mr. Laughren: I did not say "believe the Globe." I wanted to know if it was an accurate quote.

Hon. Mr. Pope: There is not much in there that is accurate.

Mr. Laughren: You will not find me defending the Thomson rag called the Globe and Mail.

Mr. Kolyn: I agree.

Hon. Mr. Pope: Wait a minute. The Thomson chain is not that bad.

Mr. Laughren: No, it is not too bad for you. Anyway, I have the minister's assurance that this is not true.

Mr. Stokes: He keeps quoting it all the time.

Hon. Mr. Pope: No. That is a long story.

Mr. Stokes: They talk to the wrong people.

Mr. Laughren: When it comes to land use planning, I look at some of those land use plans I have, and it says across them—from the northeast, for example—"approved." I wonder what that means. Does it mean they now are the law of the land? What does "approved" mean? Approved by whom? The minister? No. He has not read them all yet. Do not look surprised, Mr. Minister. Even you would not say you had read them all.

I would like to know what that word "approved" means. Is the minister going to endorse or sign all these land use plans when they are put into place? What will be the status of those in Ontario? When people want it to be amended or, as I mentioned, when parks are being added and that kind of thing, what is the legal status for these "approved" land use plans? I just do not know what that means.

I briefly mentioned earlier the whole question of the northeast. I believe there is one land use plan up there that is not going to be completed this year, namely, the Moosonee land use plan. I believe there is another three-year wait before it is to be finalized and completed. I wondered why that is so.

Mr. Stokes: They are waiting for the Royal Commission on the Northern Environment.

Mr. Laughren: Is that what he is going to tell us? I would like to hear him say that because Alan Pope waits for no Ed Fahlgren.

I would like to know why there is such a long delay in the Moosonee land use plan and what is going to be done in the meantime to protect the candidate parks in that area. I find it strange that that land use plan is being set aside for so long.

10:50 a.m.

There is the whole question of the Temagami area, which is a very sensitive area when it comes to land use planning. It was my information that the draft land use plans were not available at the open houses in Temagami. I

could not understand that. I found that strange. I want to know when they will be distributed. The deadlines are so short that people have to have access to all information that is available. I think it is unfair not to do that.

The other thing I mentioned in my leadoff, and I do not recall an answer to it, was the whole question of having these regional land use plans, or even district land use plans together with the region, available at a public forum where one could get more of a global view of what was happening.

If you go into one little district—the northeast is a good example—you could see a park reserve there and be quite content in that one district. If you do not have the broader view, you do not see that there is none anywhere else. That is an exaggerated example. I do not think it is a fair picture of the region or a given part of the province.

That would be a useful exercise. I think the minister at one time made a commitment that there would be that kind of forum. For example, there should be one in Toronto. There are a large number of people in Toronto who have an enormous interest in the parks in the north, in the wilderness areas. That is legitimate. That should be available down here for people to examine the kind of commitment being made for northern Ontario, for the parks in the north.

Mr. Stokes: As we did for Quetico.

Mr. Laughren: Yes, that is right. I see no reason why a commitment should not be made on that.

That closes the end of my questions on parks and on land use planning. I have a brief question on cottaging policy. Is there any anticipated change in cottaging policy? Please do not tell me that any changes will be announced in due course.

The minister is from the north. He knows the problems with cottaging policy. Why did you ever change what was basically a good policy a couple of years ago? You did not change it. As a matter of fact, the present Treasurer (Mr. F. S. Miller) changed it. I really think he made an error. When somebody is summarizing Frank Miller's career, it will be one of a list of blunders he made as a minister of the crown. I would be interested in knowing whether or not the minister is anticipating any changes.

I want to move on to mining, a subject that is dear to my heart.

Hon. Mr. Pope: You used to be able to lease,

and then you could convert to purchase and difference—

Mr. Kolyn: So now you cannot purchase.

Hon. Mr. Pope: Well, you can if you had a lease. There are now three different classes of lease-purchase arrangements. That is what he is referring to.

Mr. Laughren: People are not happy. They do not have a good sense of what it is all about.

Interjection: Before, everybody did not like it.

Hon. Mr. Pope: Another problem is the access road issue—ongoing maintenance and the contribution. That has caused a number of problems in his riding and in other ridings.

Another problem is never having too much of a shoreline coverage in cottage subdivisions at some lakes. That, in the long term, is going to cause environmental problems.

Mr. Stokes: I have the same problems in northern Ontario as you have in southern Ontario. Everybody wants to be on the lake.

Hon. Mr. Pope: That is why we put a hold on the auction system, quite frankly, to solve some of these problems.

Mr. Laughren: It is really difficult. When you fly over an area in the north, it just looks as if there is an endless supply of lakes, but when you comes to actually doing subdivision plans on them, there are not the numbers available, not the amount of shoreline available that people think there is.

It is a difficult problem to deal with. It is difficult for any government. I am not blaming this ministry for these problems. It is very ticklish but Frank Miller sure as hell did not have the answer.

I want to talk about mineral management. I look back at the history of mining in this province and it brings me closer to weeping than almost any other subject. There are one or two things that can get me weeping faster, but this is one of the ones. I look back and I cannot believe what has been allowed to happen with our mining industry. Perhaps if I did not live in Sudbury, I would not feel so strongly about it. I really believe that if people looked at what has happened in the mining industry, any one, in any matter where he lived, would shake his head in disbelief.

I look at nickel, which is an unbelievable source of wealth for this province. At one time we had 90 per cent of the so-called free world supply of nickel. Now it is down to about 30 per

ent. When we had that 90 per cent, what did we do with it? We just dug it out and shipped it out as fast as we could. We did not take the time to build a safe industry.

We did not take the time to process the nickel as much as we could. We did not build what the economists call forward and backward linkages in the industry to maximize the value added, to make finished products out of it, to buy the machinery to exploit the resource. We did none of those things.

Probably the greatest insult to the people of Ontario was, I believe, in 1979—I could be out a year there—when this government decided that not only would Falconbridge Nickel Mines be allowed to ship its ores to Norway for refining, even though it had been in Sudbury for 50 years, but it would be able to write off the costs of processing in Norway against the Ontario profit in Ontario operations. That turned my mind, if not my entire metabolism, to cement, the thought that a government could do that with a nonrenewable resource—and the reason they gave was to protect jobs in the Sudbury area. You have to have some kind of imagination to see how that would protect jobs when you look at what has happened since then; there have been two major layoffs. That was simply outrageous. It remains outrageous to this day.

As long as Inco is sitting there doing its thing and Falconbridge sitting there beside Inco doing its thing, with no attempt to co-ordinate their operations at all, you are going to have Falconbridge—you can call it Falconbridge Norway, for heaven's sake—justifying to the ministry that it is not economically feasible for it to build a refinery in Sudbury.

They will do the dangerous and dirty work in Sudbury and ship the value added to Norway for refining. That simply cannot be justified. That is why I said that next year is Sudbury's centennial—cannot think of anything that would be a finer centennial gift to Sudbury than to present the community with a crown corporation called the People's International Nickel Company. I would not shorten it up and spell it out for you.

Interjection: PINCO.

Mr. Stokes: What price does Norway pay in terms of pollution by having that process over there? If we had it over here, what would it add to our pollution factor?

Mr. Laughren: I could answer that question. I don't want to trust the minister to answer it. The dirty job, the polluting job, is the smelting, which they do here. The refining job is not the

polluting job. The smelting is what is dirty, not the refining. The minister would agree to that, I am sure. It is in the smelters where they are burning off the impurities that cause the pollution, not the refineries. That is why I said we get the dangerous work here, the mining and the extraction, and we get the dirty work here, which is the smelting. Then it is sent to Norway for final refining.

11 a.m.

Mr. Kolyn: Then why do they have so many dead lakes in Norway?

Mr. Laughren: Well, I guess you would have to—

Mr. Kolyn: They have thousands of lakes over there compared to what we have.

Mr. Laughren: Believe me, it is not the nickel refining in Norway that pollutes the lakes with sulphur dioxide.

Mr. Villeneuve: It is unfortunate you did not stay there the other day at breakfast. I understand you had to go away because you had a commitment, but some of those top people who were there would have given you the answers.

Mr. Laughren: They have tried before.

Mr. Villeneuve: You will not accept them. I know that.

Mr. Stokes: I heard what you said to them and you did not accept it holus-bolus either. You thought there was a better way of utilizing Ontario ores.

Mr. Villeneuve: Absolutely. I agree with you. On the other hand, these people have answers too. It is not just one-sided.

Mr. Stokes: But we do not have to accept their answers for 50 years either.

Mr. Laughren: Anyway, the whole question of Falconbridge is one of the things I always have problems with. They are not just a struggling little enterprise. They are part of McIntyre, Noranda, Superior Oil of Texas, the Howard Keck family. They are a huge operation. I am sure Dr. Mohide could fill us in with all sorts of juicy data about Falconbridge and their operations that he will keep for his memoirs.

What has been allowed to happen in that community is simply not right. When it comes to Inco, it is another question. They are Canada's 32nd largest corporation and very large. In the last 10 years alone they have made \$1.5 billion in net profit.

When they run into a year that is bad, immediately there are serious problems in the Sudbury area on jobs, layoffs and strikes. The private sector has been able to telescope its

operations into one year when it comes to dealing with its workers, but in terms of accumulating surplus for investing elsewhere, they have a very long time frame.

For example, over \$1.5 billion in 10 years is a lot of money. There was some invested in Sudbury in a rolling mill, but by and large, their new investments have gone to Guatemala, Indonesia and a battery company in the United States. It is not right for them to be able to take that one year or even a two-year period and telescope that and say, "Because we have this problem, we have simply got to deal with our workers in a particular way." That is what I find so offensive.

I was at a meeting the other day where the union had accumulated the figures from years gone back. I did it for the last 10 years; I accumulated the figures for the emergency debate we had in the Legislature a week or so ago. The union had gone back further than that. It was amazing how the billion dollar figure for profits keeps getting into a shorter and shorter period of time. I know inflation has something to do with that too, but just in this century they have netted in the neighbourhood of \$4 billion. Inco has never made money elsewhere. They have always made their money in Sudbury. They have never lost money in Sudbury, not even now.

Mr. Stokes: And Thompson.

Mr. Laughren: And Thompson, I am sorry. Thompson is a fairly recent operation.

Mr. Kolyn: You just said they had a captive market for years. Now the picture has changed because of Australia. Now they are mining it from the bottom of the sea. There are new techniques and new places.

Mr. Stokes: Not quite.

Mr. Chairman: It would be more beneficial if we waited for the minister's response. He can afford to get up at a time when Mr. Laughren—

Interjection: Australia is coming out cheap.

Mr. Stokes: When was the last time you saw a nodule?

Mr. Laughren: The member for Lakeshore (Mr. Kolyn) is warming me up for when I am sitting up there.

Mr. Kolyn: Where are you sitting?

Mr. Laughren: I will be—

Mr. Kolyn: Fun and games in Fantasy Island. Is it the jet?

Mr. Laughren: No, it is a seaplane.

Mr. J. A. Reed: It probably will be if you go into it.

Mr. Laughren: The final point I want to make on mining is that it is not just Sudbury; it is the public sector which has a very large stake in those mining companies already, and that stake is in the form of services we provide in the communities in which they operate. It does not matter where you go in Ontario. The public sector provides sewer, water, educational, health and social services in those communities at great expense. That allows those companies to have a work force that is stable; it allows the companies to live in a work environment and social environment that is acceptable.

For us to just look the other way when they behave in an irresponsible way is simply not the way to go in the 1980s. This is not the 1800s. We surely cannot allow that to continue. If, over the years, the private sector had behaved in a better way with our minerals, we would not be calling forever for the mineral industry to be in the public sector; but it has not behaved in a way that has maximized the return to the people of Ontario. We have an obligation to put an end to that nonsense.

The other thing that I mentioned—and I will not go over the details again—is the need for an independent geological assessment in Ontario so that we know what reserves we have and can plan the life of communities that are based on mining. That we do not know. If I asked the minister today how many years of supply of nickel there was in Sudbury, he would have no access to information except what Inco and Falconbridge told him. You know what they tell him? The same thing they have for the last 20 years, "Oh, 15 or 20 years' supply."

That is all they have and that is all they will tell him. That does not change. The minister seems to think that is adequate; whatever the private sector tells him, he will buy. If he decides that it is time to move on, he lets the move on because he feels he has no control.

Mr. Stokes: I think the point of the question is, has he asked?

Mr. Laughren: He talks about diamond drilling and long-hole drilling, but he has no idea what the reserves are in Ontario.

The question of mining machinery has been argued many times, and the government's response at this point has been inadequate. It has established a resources machinery development board in Sudbury. Perhaps the minister can explain to me how he is going to turn around

mining machinery, reverse the imports of mining machinery, with a 10,000 square foot building in Sudbury. Maybe he has plans that I am not aware of.

How is he going to do it without any scientists on the payroll? This is clearly becoming a public relations marketing operation in Sudbury. I can assure the member for Nipissing (Mr. Harris) that if the direction continues, his fears are groundless about competition with Jarvis Clark in North Bay. So perhaps you should have a look at it.

Mr. Chairman: You are supporting him.

Interjection: I was just explaining that to him.

Mr. Laughren: I am what?

Interjection: Supporting him.

Mr. Laughren: You've got to be kidding.

What I am saying is that the gaps in our domestic production of mining machinery are such that we could have a mining machinery factory in practically every community in Ontario. It need not interfere with what Jarvis Clark is doing in North Bay.

Surely the member for Nipissing knows that. If he examines what gaps are there, he should know that. It is not necessary to compete with Jarvis Clark.

Mr. Chairman: Are you directing a question to the chair?

Mr. Laughren: No. I am not allowed to do that.

Mr. Chairman: I thought you were asking the chair.

Hon. Mr. Pope: Do you want to leave the chair if you are going to argue with him?

Mr. Chairman: Well, he asked the chair a question.

Mr. Laughren: No, I did not.

Mr. Stokes: Just rhetorically.

Mr. Laughren: I spoke to the chair. Everybody knows a chair cannot answer.

Mr. Chairman: You watch me. I have to tell you rhetorically, that when the federal officials get into a re-examination of the ridiculous data they were using, you will see something different.

Mr. J. A. Reed: Mr. Chairman, this is all out of order.

Mr. Chairman: That was all out of order and should be deleted.

Mr. J. A. Reed: It should be stricken from the record.

Mr. Chairman: Stricken from the record. I agree. Had I been allowed to speak, I probably would have responded in that way. Carry on.

Interjection: Jean-Jacques Blais.

Mr. Laughren: Thank you. Jean-Jacques Blais.

Mr. Chairman: Carry on, Mr. Laughren.

11:10 a.m.

Mr. Laughren: Finally, Mr. Chairman, I want to talk for a moment about aggregate. I wonder what is going on with this whole question of aggregate. The minister was talking about plans to bring a new aggregate bill into the Legislature. I believe he is going to have first reading this session. I think that is correct. I do not know if he has made a firm commitment on it.

There were public hearings earlier before committee, at which the interest groups were assured they would have another opportunity to appear, to learn about the new bill and to make presentations. I would be interested in knowing what is happening there. I keep hearing different stories about that.

The other day I was looking through the aggregate material which I have.

Hon. Mr. Pope: An excellent book.

Mr. Laughren: There is one called Mineral Aggregate Transportation Study; there is one that has already been mentioned, called Ontario Industrial Minerals; and there is another one called Agriculture in the Aggregate Industry. I am wondering when we can expect another book and another study, and whether or not the minister is planning any more studies on aggregate.

I believe this one, Mineral Aggregate Transportation Study, cost around \$250,000. I would be interested in knowing if that is true, if that was the cost of the study. It was in 1980, I think. Then there was Agriculture in the Aggregate Industry. I would like to know whether that cost very much. Then, of course, there is this one, which I am not concerned about because it is part of the entire mineral industry study or summary for Ontario. I would be interested in knowing what is going on with aggregates.

I am concerned about some of the comments in Agriculture in the Aggregate Industry, where it implies that you can have these huge open pit operations with aggregate and then rehabilitate them back to farming. I think it glosses over the problems. It is not that simple and the study is a bit Pollyanna-ish.

Mr. Stokes: Rye on the rocks in Sudbury.

Mr. Laughren: That is right. I would be interested in knowing the cost of the studies for the aggregate industry and where we are going from here with aggregates.

Finally, the minister told me, in response to my leadoff a couple of weeks ago, that there was no wetlands policy. He had to read those 450 presentations—I guess he reads them between his land use plans and picks one of them up for light reading between the land use plan studies. He tells somebody else—I believe he told the media and I am not sure where I heard this—that it would be five years before there is a wetlands policy.

Hon. Mr. Pope: Who said that?

Mr. Laughren: I honestly cannot remember who told me that. But it was going to be five years before you had a wetlands policy, or four years. I made a note. Maybe if I can find it, I can even—

Hon. Mr. Pope: It is a new one on me.

Mr. Laughren: Yes. It would be five years, because they needed to do the inventory, when the inventory was completed. There would be no policy until then. That is not true?

Hon. Mr. Pope: No.

Mr. Laughren: When are we going to get out policy, even if it is a policy for discussion on wetlands? That is a good question. Why are you looking so defensive?

Hon. Mr. Pope: Do you want me to start answering your questions?

Mr. Laughren: I have completed. Thank you, Mr. Chairman.

Mr. J. A. Reed: I have three supplementaries, Mr. Chairman, which tie in with some of the things the honourable member has said. Should I get them on the record now?

Hon. Mr. Pope: Sure. Go ahead.

Mr. J. A. Reed: If the minister is answering, it will probably save him some time.

Mr. Laughren: As long as he does not answer you now.

Mr. J. A. Reed: One is in connection with land use planning. I would just express the concern to the minister that when these final plans are rendered for public viewing that he remember they may be the first final plans. If you recall the experience with the Niagara Escarpment Commission, we are now on the third set of final draft plans. They have had to go through quite a metamorphosis over the last few years. I see

some parallels with what your ministry is going through.

What has seemed to happen is that as the impact on individual people or individual interests really surfaces as a result of these plans there is a broader number of people who become knowledgeable about the proposal and express a more vociferous opinion about certain attitudes and policies. This was the experience with the Niagara Escarpment Commission. You are now on your third final plan there, and I would urge you to be flexible enough to be prepared for that kind of response. In spite of the fact it takes longer, that is the kind of metamorphosis we have to go through to come up with something in the end that the broadest base of people are content with.

I have just a reference, once again, to the forest management agreements. Last night you mentioned that in the forest management agreements there would be no cutting allowed without a reforestation plan, or that was the indication you put on the record. All the areas under forest management agreement would be reforested.

It has been pointed out to me that in the Spruce River Road forest management agreement, there are allowances made for cutting without reforestation. It is section 3.2.4, if anybody is interested and would like to look it up. Perhaps it deserves some clarification as to just what that means. If you are insistent that no cutting can take place without reforestation, we deserve to have a clarification on that matter.

The one other area I would touch on is the overall question of logging in the parks policy. The member for Nickel Belt (Mr. Laughren) has mentioned it and I mentioned it in my opening statement, but the park logging policy is something the minister did not respond to when he was responding to opening statements. What are the criteria and how do you arrive at them? Are we in a situation where this conflict is resolved? Or will people with a multitude of interests be constantly pressuring the government without really knowing what the government's policy is?

With those, Mr. Chairman, I will leave my remarks.

Mr. Chairman: Mr. Stokes, you had a relevant supplementary. Did you want to comment now?

Mr. Stokes: No.

Mr. Chairman: Is there anybody worried about being shut out of the window?

Hon. Mr. Pope: There were a number of issues raised under this vote by Mr. Laughren and Mr. Reed. The 9.1 million cunits was a ministry target that has been around for a while. It relates to the year 2020 and is the specific fix at that date.

Mr. Laughren: It is fixed but not the target. Is that it?

Hon. Mr. Pope: My movable horizon reference was a reminder of another movable horizon with respect to the resource sector of our economy that was prevalent in May 1977.

Mr. Laughren: Two trees for one, you mean?
1:20 a.m.

Hon. Mr. Pope: No. The movable horizon Mr. Lewis put out to the people in the north.

Mr. Laughren: Oh, I did not know that.

Hon. Mr. Pope: Mr. Martel did. He commented on it on CKGB in 1977.

Mr. Laughren: Oh, I see.

Hon. Mr. Pope: In other words, I was teasing you.

Mr. Laughren: I did not get that.

Mr. Sweeney: Is 1977 not the year they wrote the Brampton Charter?

Hon. Mr. Pope: Yes. Great document.
Interjections.

Hon. Mr. Pope: Two trees for one.

Mr. Stokes: That was something like Diefenbaker's program for the north, opening up new frontiers, the Diefenbaker image.

Hon. Mr. Pope: Oh, no. Mr. Sweeney thinks you can build roads to the resources to get two trees for one in the ground within six months.

Mr. Sweeney: That was five years ago.

Hon. Mr. Pope: I know, but you have not been following the programs of the ministry.

Mr. Sweeney: That is 60 months, not six.

Hon. Mr. Pope: You obviously have not been following the programs of the Ministry of Natural Resources since 1977 or understood the resource access program and the funding mechanisms and the negotiations that went on with respect to the forest management agreements and then putting the capital in place with respect to government nurseries and private nurseries.

Mr. Sweeney: Surely, if someone can get in there to cut them down, somebody can get in there to replant them.

Interjections.

Hon. Mr. Pope: I know you understand all of that has to go through the regular channels and be developed to have a comprehensive reforestation program.

Mr. Sweeney: How come the guys who cut them down did not need all these fancy access roads?

Hon. Mr. Pope: I understand the honourable member has not been up north and does not understand that most of the harvesting takes place in the winter months when the ground is frozen, but someday we will bring him up on our tour and we will show him all of that.

Mr. Sweeney: I would be glad to accept.

Mr. Stokes: You cannot blame them all on black spruce swamps.

Hon. Mr. Pope: No, and I have not.

Mr. J. A. Reed: I will take Ontario Northland.

Hon. Mr. Pope: You will, will you? We will put you on an Ontario Northland Twin Otter from here to Kenora and we will see you in a week.

Mr. J. A. Reed: I was thinking of taking the train.

Mr. Chairman: It takes three days by train.

Mr. Laughren: I would rather have the jet plane.

Interjection: You cannot fly low enough to see them.

Mr. Sweeney: The minister is being provocative. Let the record show that.

Hon. Mr. Pope: There is no doubt the expenditures for the reforestation program will be coming from the provincial treasury. Where the revenues come from to meet that commitment is something the Treasurer (Mr. F. S. Miller) takes into account both in terms of taxation of resource companies and also in terms of general tax programs.

It is true a number of the forest management agreement expenditures have been funded through the Board of Industrial Leadership and Development system and that includes the five-year program commitment you made reference to in your opening comments. That is entirely funded by BILD and that is in addition to our regular budget allocation for the reforestation and regeneration activities on crown lands.

Mr. Laughren: Would that \$200.1 million you had for 1985-86 include the BILD fund?

Hon. Mr. Pope: Yes.

Mr. Stokes: And DREE Ontario funds?

Hon. Mr. Pope: And DREE Ontario funds. We sort of wrapped up all those different funding mechanisms. It may even include temporary funding arrangements at that time.

Mr. Laughren: How are we going to get that?

Hon. Mr. Pope: With the contractual commitments in place and obligations we have to meet under those contracts, there is no doubt the BILD funding, at some point, has to be made permanent. The government recognizes that. All I can tell you is the money will have to be found for those commitments.

There is no difficulty with it in the next five years, but I think you are right in that in terms of the long-term system we have put in place and stabilized in a variety of sources we now have access to in order to get the funding, there has to be some finalization of that process. That is the position I have been taking on the matter.

The Affleck guidelines are interim. We are trying them out, seeing what the problems are, seeing where they are inadequate, and we will be reviewing them at the end of the year.

Mr. Stokes: There are contradictions in them too. I raised them in Armstrong last spring.

Hon. Mr. Pope: With respect to road decisions, in terms of the timing and the construction, the need for a road and the allocation, we have been attempting to deal with municipal councils and interested industrial groups, including the tourist industry. The road into the Minaki and Pakwash management units is now being discussed.

Mr. Laughren: Is that the Atikaki?

Hon. Mr. Pope: Yes. We did have discussions with a number of people who are concerned about that particular park proposal. If we have information on the existence of these groups, it is our intention in any future road developments to ask their opinions. As part of the ongoing consultation, it is necessary.

The Minaki and Pakwash management unit access issue is still before us. At the open house on the West Patricia land use plan, there was a presentation made by your friend, Mr. Leschuk, from the township of Ear Falls.

Mr. Laughren: Our friend?

Hon. Mr. Pope: He indicated that the township of Ear Falls and the trimunicipal committee of the Balmertown, Red Lake and Madsen local services boards support submission of the proposed access road plan by Boise Cascade Canada Ltd. to the Ministry of Natural Resources for the development in the Longlegged Lake

limits and to the Minaki crown limits. They voiced a strong objection to the Atikaki wilderness park proposals.

That issue is still evolving in terms of divergent points of view up there. I want to reiterate that perhaps this is the time to do it. Under the land use planning process we now have in place, we are having our open houses to get input from individuals.

However, we do acknowledge that there is a need for a further consultation process, in which both local issues can be addressed and local conflicts hopefully resolved or some middle ground can be found. There is also a need for regional and provincial interests to have a fuller forum in which to express their points of view. Toronto will be included in that process.

We have been telling the provincial interests be they on the industrial side or on the side of the other interests, that we thought they have a role to play in the local communities. They have a role to play in bringing the issues to the fore, in discussing and sometimes arguing with each other over their respective proposals so that the people are aware of the issues that should be brought to their attention. We thought it should be done in the local forum to start with.

Quite frankly, we have had a lot of cooperation from all the interest groups in terms of sending people to the open houses, developing the issues and using the local media and public forums sponsored by other groups. We appreciate those efforts. At the end of the open house series, we ourselves are going to develop other forums as well for the fuller airing of these points of view.

All the documentation that has been put out is available in our library. Most of it has been filed in the Legislature. A couple of times lately I have not stood up and made any statements in the House, but the material has been filed. As soon as it is received in our Toronto office, we do try to get it over to the Legislature and into our library systems.

We will do the same thing with the responses. As soon as we can correlate and summarize them, they will all be made available. We will both file them and make them available at our library over there. Anyone can go in and have access to them.

Mr. Laughren: Will you mail them to me home?

Hon. Mr. Pope: Yes, we will put you on the list. I noticed you wanted to be put on the list for the aggregates studies as well. That is a threat

Mr. J. A. Reed: Do not put my home on the street.

Hon. Mr. Pope: Do you not want any?

Mr. J. A. Reed: Send them to the office. We are at the office.

Hon. Mr. Pope: Actually, we will send them to your office. I did not know they were going to your home.

Mr. Laughren: Never mind. Jim Snow sent 10 Ontario maps to my constituency office and 10 to my home.

Mr. Stokes: Put your stamp on them and send them out to your constituents.

Hon. Mr. Pope: To Foleyet.

Mr. Laughren: I had better send them all to Foleyet.

Mr. Chairman: It looks as if you have two members down here. Are you getting two series too?

Interjection.

Mr. Laughren: I would not admit that.

Hon. Mr. Pope: With respect to the consultation process for roads, we are trying to get a more formal process. If we get information on interest groups involved, we will try to discuss the issues with them. Maybe we can get all the interest groups together in one room and hope to come to some settlements.

1:30 a.m.

You also talked about nature reserves.

Mr. Laughren: I am sorry, but could I keep you on track on the cost of roads under the forest management agreements? What are you doing about the companies that are demanding more roads under the FMAs than you are committed to paying for?

Hon. Mr. Pope: Under the forest management agreements, we have a set price.

Mr. Laughren: Yes, but what are you doing about the companies? Maybe I am wrong, but I understand that some of the companies are escalating their demands for roads.

Hon. Mr. Pope: In terms of mileage?

Mr. Laughren: Yes, the number of miles.

Hon. Mr. Pope: Not in terms of the price?

Mr. Laughren: No.

Hon. Mr. Pope: Sorry. I thought it was price.

Mr. Stokes: Greater access.

Hon. Mr. Pope: Under the operating and annual plans that they file, as well as the 20-year management plans which we make available to

the public to comment on, the road proposals have to be included. Before they are finalized, we also have to review them down here.

If we feel that the access is unnecessarily detailed and complex as to what would be the normal harvesting or regeneration activities, or what we expect as to regeneration under the agreement, we would obviously not allow some of the road construction to take place.

Mr. Laughren: Can you do all this without hiring more foresters? Amazing.

Hon. Mr. Pope: We have a lot of hardworking people there.

Mr. Stokes: Mr. Peacock would be aware of the Flowers report. Jack Flowers has since left as a regional forester and is now teaching at Lakehead University. He put out an excellent paper about three years ago, indicating that in many areas about 15 per cent of the productive forest area is dedicated to roads.

Those would probably be prime sites because people build roads wherever there is least resistance. I should like to ask Mr. Peacock if you have seriously studied the Flowers report, if he is right in his estimate that 15 per cent of many of the productive areas are dedicated to roads as opposed to the production of the resource, and whether you are going to use that as a criterion when you sign the bill for all the roads these people are asking for now.

Hon. Mr. Pope: The answer is that 12 to 15 per cent is the recognized ratio and has been for some time. That gentleman's estimate is accurate.

Mr. Stokes: He said it was too much.

Hon. Mr. Pope: I guess there is a difference of opinion, then. All that I can tell you is that 12 to 15 per cent has been the practice, or our experience as to what has been happening for some period.

Mr. Stokes: That is about 300 per cent more than the area dedicated to parks, if you believe one set of figures I quoted last night.

Hon. Mr. Pope: I think you had eight per cent of productive forest—

Mr. Stokes: That was what the industry said.

Hon. Mr. Pope: —versus five per cent of the total land mass in the province.

Mr. Stokes: Yes. I am sorry. I have got you off track.

Hon. Mr. Pope: That is okay.

Mr. Laughren: On the matter of roads, once you approve a five-year plan for a company, is

there actually a total dollar figure for roads in there? How do you work that?

I do not believe it. The minister is consulting.

Hon. Mr. Pope: We are just having a discussion of a side issue that relates to this. Did you ask if we have a total cost projection?

Mr. Laughren: Yes. When you negotiate your five-year plan with a company for its area, is there a limit on the amount you are committed to for roads, to prevent their saying, "We need a road here. We need an extra road there." How is that done? I kept hearing they are just making increasing demands.

Hon. Mr. Pope: It has to relate to the management plan. We also have a total ceiling, and we split that down on the basis of all of the operating and management plans we have in our possession. We would then phase road construction on that basis, knowing we give a basic cost commitment when we sign the agreement and that there is an inflation factor. Up to 80 per cent of inflation could be agreed to by the Minister of Natural Resources under the terms of the agreement to increase that road figure. Whether or not the minister would do that is another matter, to be discussed in a few years in this forum.

Mr. Laughren: The public purse is protected then?

Hon. Mr. Pope: Yes. I am conscious of the issue you raised. Our side discussion related to approvals of the five-year operating plans and the 20-year management plans. We will have another discussion later.

Concerning the issue of the wood supply in eastern Ontario, one of the problems in terms of past access to that wood supply, as I understand it, is distance from existing plants, be they kraft mills or pulp and paper mills. That has led to a lack of development of that surplus capacity in that area.

Some time ago there were some studies done about a possible plant on the shores of Lake Ontario. We are now doing some research in the Bancroft area on water supply, water sourcing for a plant in that area, and also whether or not we can dovetail development of that area and a forest products industry there to similar existing programs in the resources ministry.

I do not think it is fair to relate that to the Algonquin Park supply system, although subject to correction by my friend the expert here, it is my understanding those mills are located along the northern and western sides of Algonquin Park and that most of the lumber cut there

is shipped in that direction. The transportation costs and problems would be rather substantial and would render it uneconomic if one were to try to harvest a wood supply to the east and south of Algonquin Park.

A whole range of forest products industries use the wood supply in Algonquin Park, but I know there are a lot of sawmills producing dressed lumber and similar products. Wood supply in this part of Ontario relates mainly to the pulp and paper industry, also to waferboard and veneer plywood potentials.

Mr. Stokes: The furniture industry.

Hon. Mr. Pope: Yes, for some of the hardwoods. You are right.

Mr. G. I. Miller: Are they tendered or are they contracted for certain areas? How is it done?

Hon. Mr. Pope: In Algonquin Park we have a forestry authority and it has an allocation on a regular basis. It does a suballocation out to all of its existing industries in the area surrounding the parks. It is actually an allocation authority or ministry authority.

Mr. G. I. Miller: So someone who has been working there for years gets a fair opportunity to get a share?

Hon. Mr. Pope: Right. But with respect to the inventory of available hardwoods around the Bancroft area, the purpose of the ad Mr. Laughren read out was to give some public notice so that not just the major companies would bid on it. We would be open to bids from any source whatsoever.

In addition, I think we wrote 19 letters to major forest products companies in North America to advise them this wood supply was available and we were interested in arrangements to see it harvested.

Mr. Stokes: As you are going to do with the Black Bay peninsula?

Mr. G. I. Miller: I know there was a Ken Brothers sawmill in Sundridge that was utilizing it, but I think it has since gone out of business. They generated their own hydro and had their own plant, but I think there was some difficulty with the agreement. There was also a Mr. Firewood established just outside of Burk's Falls. Are they still in business? They are making and supplying specialized firewood products.

11:40 a.m.

Hon. Mr. Pope: Yes and yes.

Mr. G. I. Miller: They get their raw materials, suspect, from—

Interjection.

Mr. G. I. Miller: I think they are. They may be to some extent. I am not sure. Are they? Do you have any information on that?

Hon. Mr. Pope: I do not know. We have not heard of them so they may be out of business.

Mr. G. I. Miller: They were an old established firm.

Mr. J. A. Reed: Sure, they were there a long time.

Hon. Mr. Pope: I will find out for you.

On the issue of nature reserves and what could happen if you want to add a park or a nature reserve—

Mr. Laughren: I am sorry, are you moving on parks without addressing the Atikokan question?

Hon. Mr. Pope: Sorry?

Mr. Laughren: Did you forget the Atikokan question about the supply of white pine?

Hon. Mr. Pope: You were talking about a furniture factory there and said they required mature white pine. Do they now have limits located to them under permit or are they third-partying it?

Mr. Laughren: I think they are third party.

Hon. Mr. Pope: There is no doubt there is some limit on the available inventory of white pine, not only in that part of Ontario but also in the northeast, in the North Bay area.

Mr. Laughren: McNutt has got all that.

Hon. Mr. Pope: Yes. They are also shipping it from Quebec. They have a substantial white pine supply in Quebec that is shipped across the border to their mills there. There are a couple of other furniture factories in the northeast who are third-partying it in terms of jackpine in the barst area. They have had some problems making arrangements to get access to the mature jackpine in the Hearst area, so we have been working on that as well. Woody Woods it is called in Hearst.

Mr. Laughren: I am sorry, that does not answer the question.

Hon. Mr. Pope: What was the question? I thought you said they were having difficulties getting access to white pine and I was saying there is a problem in terms of inventory of available white pine in that area.

Mr. Laughren: Right. If these people are going to go ahead with this project, what kind of

negotiations will we be carrying on with them? How can you tell these people to go ahead, knowing there is not a sustainable supply?

Hon. Mr. Pope: We do not tell them to go ahead or not go ahead. We tell them what the inventory of white pine is in the area and whether or not it is under licence. We try to assist them to make third-party arrangements if that is feasible for them. They have to make their own investment decisions based on that information.

Mr. Laughren: So you would give us assurance that this would not affect the whole question of taking any of the white pine out of the park?

Hon. Mr. Pope: There may be discussions of that in terms of the land use plan, but certainly there are no discussions at present going on to take white pine out of any park.

Mr. G. I. Miller: Do you mean there is no harvest of white pine? You do not harvest; you just let it fall down?

Hon. Mr. Pope: No, I did not say that.

Mr. Laughren: I am concerned about the whole question of Quetico Park.

Mr. Stokes: They do not go into conservation authorities and cut down trees to satisfy—

Hon. Mr. Pope: There are no negotiations going on right now to allocate wood out of Quetico.

Mr. G. I. Miller: But they still should be managed, should they not?

Mr. Laughren: Okay. We will hold you to that.

Mr. Stokes: That is not Liberal policy.

Hon. Mr. Pope: I am sorry, what was going on here?

Mr. G. I. Miller: They say, "Waste not, want not."

Mr. Stokes: That is not Liberal policy.

Hon. Mr. Pope: The land use planning program, as I have tried to indicate, is to develop some guidelines for resource planning and resource allocation in the future. Our people seem to think it is probably a 20-year time frame in terms of allocation decisions, but it is only a guideline and there is no future date and no process to be followed which would gum it up, if I can say that, to add parks or nature reserves or to consider what activities should be carried on in them or what activities should not be carried on in them.

Mr. G. I. Miller: Are you talking now about how one adds parks?

Hon. Mr. Pope: Yes. The proposal would flow up through normal channels and be reviewed by the district management and then forwarded on to our office here for some final decision.

I do not think you will find the land use plan to be something restrictive; it is basically information along a guideline for allocation decisions. It is not going to be like an official plan where you have to go through some formal amendment process and there has to be some review by a ministry planner and that kind of thing.

Mr. Laughren: Does the Ministry of the Environment feel good about that?

Hon. Mr. Pope: I think Environment at one point thought it was a formal official plan that would be blanketing all the crown land in Ontario. That was one of the basic problems originally.

What we were trying to indicate was that it was just a consultation process to prepare guidelines that everyone would know were out there and give some indication of potential conflicts and sensitive areas where perhaps multiple uses could not be allowed. It is a more flexible, informal system than they may have envisaged originally. I think it will be helpful to everyone.

The district managers, who have the most important responsibility of the ministry in applying our policies and guidelines on a local level, play a key role in the open-house process and gathering local information. They will be involved in the meetings here in Toronto where we attempt to review the public comments, to review the local and provincial concerns and review potential resolutions of conflicts.

We will be relying on them a great deal for advice and local input based on their knowledge of the areas. We will not be turning our backs on them. They will actually be in with us when we go through all of this in the months of November and December.

We have had a number of meetings with the parks council with respect to the Monzon report and also with respect to a number of specific parks issues. They have done studies for me on Quetico. They will be involved as well in the final processes in November and December and will be reviewing some of the comments and issues to give me advice on our decision-making process.

I rejected a separate series of open houses for parks for a number of reasons that the parks

advocates would agree with and support and for a number of reasons they would not support. It was my feeling that one series of open houses, or actually two phases of open houses in one process, where all of these issues could be viewed in juxtaposition and all of the values could be presented at one time, was the most appropriate way to do it.

I have some grave concern that if we did an open-house process for the parks, the other people who are demanding exclusive resource allocation privileges would want the same privileges and we could go into a never-ending series. I would be worried that when we did our fisheries management plans, or management plans for rivers and water basins, we would have to go through a whole series of open houses or that process as well. It could be a never-ending process of your receiving documents at your home, more and more open houses and other public forums, and the whole thing would never end—not that it should; I am not saying that—but the cost of carrying on that process indefinitely is one of the factors we had to consider.

We do agree there is a potential for too much information being made available at one session and we are concerned about that. That is why we will get involved in other processes after the open houses to try to assist in that problem.

One thing I forgot to mention is that under the forest management agreements there are also withdrawals of up to five per cent during the course of the agreement, as well as the initial withdrawals which were done from the point of view of not only park areas that were already reserved by district managers and also some park proposals we are well aware of, including waterway parks, but also some potential sensitive areas in the front end, plus the five per cent under the agreement.

11:50 a.m.

On mining in parks, all I can really say is what have thrown that issue out for comment. There is no doubt that certain people in our ministry would have certain opinions both ways. I do not know under what possible terms mining could possibly be carried on with flag staking, no allowance for any ditching, surface sampling only and zones in parks. The issue is going to be discussed and debated over the next few months.

Certainly the Prospectors and Developers Association, the Ontario Mining Association and a number of other individuals and groups have been concerned about the number of withdrawals that are not even put into parks but are district manager withdrawals and the effect

f them on their activities. That is why we left the issue open for public comment.

All I can say in reply to your question is that we will await the results of the comments in the open houses before we issue a final policy statement. We will be answerable for that and we will be discussing it with you in a variety of forums. How realistic you think the potential is for the ministry having a policy of allowing mining in different classes of parks or in all parks is something you can probably assess for yourself at that time.

One of the problems we have been facing with the Moosonee land use plan is the lack of a proper inventory. That is not a problem just of the Moosonee district. We had that problem, quite frankly, in the Spruce River forest management agreement. We did manage to almost compile our inventory information over the period of time during which we dealt with that forest management agreement. That is causing some delay.

We have allocated funds, by the way, specifically to get a better inventory for the Moosonee area. A number of other issues are being discussed with the native people at this time. We are having meetings early in July with Grand Council Treaty 9 with respect to land use planning and the basic information we now have available. It is to be hoped we can bring that on stream faster than the three years which have been forecast.

We do have a phased-in program entailing some considerable expense to try to get a better inventory figure in there. Apparently the plans are not available for the open house in Temagami because there were some last-minute revisions of some of the factual information and some refinement of zone descriptions. We are going to have to have another open house there because I absolutely agree with you that not to have the plan available is not appropriate. We will make sure it is held very quickly and that the information is there.

I think we dealt with the cottage policy and the fact that it is under review right now. Some of my concerns about where we were headed and some of the environmental problems we saw in the long term are probably shared by most members of this committee.

Mr. Laughren: Are you going to make changes there in the cottaging? Have you done anything?

Hon. Mr. Pope: All I can tell you is at this point we have stopped the auctions.

Mr. Laughren: I always thought leasing was the best.

Hon. Mr. Pope: There are a number of problems there. Some of them include waste disposal sites and a number of things like that which just have to be sorted out before we carry on.

In mineral management I share your concern about the Sudbury basin. I tried to indicate in the Legislature last week that in the long term I did not see any relief in sight for the nickel industry in terms of world demand and price. We probably disagree philosophically on what the options or alternatives are to deal with the problem.

Mr. Laughren: On whether Sudbury should have a centennial project.

Hon. Mr. Pope: I guess we could say it that way, yes. I have my own point of view on which system provides the maximized return to the people of the province, but again, I think we argued that last December and there is no point in rehashing it, although I do share your concern.

The issue has been around for a long time before I was on the scene and probably before the member for Nickel Belt was here. There is no doubt that some decisions were made in the past by management in a number of mining companies that in retrospect were not appropriate, resulting in some loss.

Mr. Laughren: They had your blessing.

Hon. Mr. Pope: I guess we get into the question that if we do not have foreign corporations investing in the province, and if we do not want Canadian corporations to expand and diversify, what do we have left as vehicles for private sector investment in the mining industry?

The fact of the matter is that in the public sector you do not have the money to engage in the nationalization system that has been proposed. My quote in the Legislature with respect to Mr. Rae is contained in the Maclean's magazine interview with him, published in February of this year.

The member is quite right on the aggregates. The first big study cost \$250,000. It was a two-and-a-half to three-year study.

Mr. G. I. Miller: Did you indicate what the length of supply of nickel and raw materials, etc., would be? Would you comment on that?

Hon. Mr. Pope: The value?

Mr. Stokes: The life of the ore bodies.

Hon. Mr. Pope: We do have some information on that, but we cannot release it for a number of reasons that I think are obvious to those who are involved in the mining communities. We did do some studies on ore bodies and also on plant problems in the Sudbury basin. We have access to that information.

Mr. Sweeney: Supplementary to that, there has been considerable concern expressed about the use of high-grading techniques, whereby the lower value ore is simply being left and the best stuff is taken out.

To what extent is the ministry involved in that decision? To what extent is the ministry aware of that practice? How much validity does the ministry attach to it? What is that situation?

Hon. Mr. Pope: I am not sure. Are you saying that it is wrong?

Mr. Sweeney: I am just asking to what extent you are aware of it being done.

Hon. Mr. Pope: I am aware that management in our mining companies makes decisions on what ore zones of the ore bodies under development are economical.

They do that for a variety of reasons. They project the world price in the future. They project world demand. They project their costs into the future and they make some development decisions on that basis.

Mr. Sweeney: But when we talk of the value of the ore body itself, what is still there? How long is it going to last? This means that technically you are leaving that decision solely in the hands of the company?

Hon. Mr. Pope: Yes.

Mr. Laughren: You are absolutely right, John.

Hon. Mr. Pope: What is wrong with that?

Mr. Sweeney: What is the responsibility of the government, acting on behalf of the people of the province, to simply walk away from any involvement in a decision on a natural resource?

If they fill up those shafts when they reach a certain point, no one is ever going to go after it again. When you approve of that stuff being taken out, do you not hold back to yourself any rights whatsoever? Do you just give it away and say, "Do what you like with it, fellas"?

Hon. Mr. Pope: What would you like us to do?

Mr. Sweeney: It is a resource that ultimately belongs to the people. If you choose to allow a private company to take a certain amount of that out under certain conditions, as you have in

the past, part of that condition should not be that you can leave part of that resource, and perhaps even leave the mine itself, in such a condition that no one else can ever get it out economically later on.

12 noon

Mr. Laughren: You radical.

Hon. Mr. Pope: That is an interesting new philosophy from that party. I am glad we have that on the record.

Listen, do you want the government —
Interjections.

Hon. Mr. Pope: He made a statement.

Mr. Sweeney: Sure, I am saying that this does not seem to be the responsible thing to do.

Hon. Mr. Pope: I want to deal with that statement.

Mr. J. A. Reed: Cannot individual member ask questions without their always being interpreted as being party policy?

Hon. Mr. Pope: He gave an opinion there.

Mr. J. A. Reed: It is his opinion. He is entitled to his opinion.

Hon. Mr. Pope: Right. What he is saying is that he wants the Ministry of Natural Resources to go in, to make all the economic and management decisions based on all the marketing information and costs of production, and the second-guess management decisions made every day by the company. If you listen to what he is saying, that is exactly what he is saying.

Mr. Sweeney: Mr. Minister, what I am clearly saying is that it is your responsibility. You are saying it is not. I am saying you should have some responsibility, but that is a long way from what you are saying about the government stepping in making all management decisions. To me, that is really an exaggeration.

Hon. Mr. Pope: How else could we accomplish what you want us to do?

Mr. Sweeney: I do not know. I am asking you to what extent you are involved in the process at all.

Hon. Mr. Pope: You set out this great goal that everyone lauds, and you tell me how you want to do it.

Mr. Laughren: He is a closet Socialist.

Hon. Mr. Pope: The only way you can do it is by having the government go in and make the management decisions, and that is the only way.

Mr. Sweeney: Let us look at a possible scenario. Inco or Falconbridge, whoever

happens to be, decides to mine to a certain point, because at that point the ore is valuable to them. From there on in there is another ore body which they say is not sufficiently valuable to them.

Hon. Mr. Pope: So they close down.

Mr. Sweeney: All right. Should that resource not continue to be available to the people of the province through their government?

Hon. Mr. Pope: It is.

Mr. Sweeney: How?

Hon. Mr. Pope: If you look at—oh, I see we have laughter here. Talk to the member from Hardmore and ask him what is happening with respect to a certain mining operation in that community that closed down—how many years ago?

Mr. Stokes: In 1956.

Hon. Mr. Pope: It is now being developed by Inco Continental Mining because of the change in the world market price of gold. If you will talk to—

Mr. Laughren: That is an unfair comparison, misleading, and total nonsense.

Hon. Mr. Pope: That is not an unfair comparison. If you look at the Hollinger mine site in my community, which was closed down in 1964 and which is now being remined by the Noranda group based on the world price, you will see exactly that those resources have not been left in the hands of the company that went out of business.

In fact, they have been rolled back into the public sector and have been developed by private interests investing their private funds, very successfully.

Mr. Sweeney: Let us stick with the nickel one just for a moment. If, in fact, Inco or Falconbridge makes a management decision based on economics that they do not want to go beyond a certain point, how does the government step in and say, "If you decide not to exploit that resource, we, on behalf of the people we represent will exploit the balance of that resource"?

How can you do it? What is your relationship?

Hon. Mr. Pope: If they go out of business and let their mining leases and unpatented claims lapse, they are available for public exploration and development by anyone. Someone else can go on and reopen the mine.

Mr. Sweeney: So as long as they are in business, that lease gives them total control?

Hon. Mr. Pope: As long as they continue to hold the unpatented claims and abide by all the conditions under the Mining Act, and all the conditions required to keep that unpatented mining claim or mining lease in full effect, they are entitled to continue to hold those properties. If they do not, it reverts back to the developer, and is subject to other economic activities.

Mr. Sweeney: So the agreement does not contain any provision whatsoever for leaving or abandoning unexploited resources?

Hon. Mr. Pope: They can abandon them, but at some point they have to make an economic decision as to whether or not they are going to hold on to properties from which they are no longer generating revenues.

Mr. Sweeney: Are there no time lines in that?

Hon. Mr. Pope: There are time lines on development programs under the leases. There are guidelines on the holding of unpatented claims, and the amount of work undertaken.

All of that has been subject to a 10-year review by a number of interest groups in the mining sector and there have been discussion papers. A new one is about to be issued with respect to the value of work that should be done upon claims to maintain them in good standing; whether or not it should be the old man-days system or the current value of the costs of that development work.

There are ongoing obligations under our statutory systems that we have in place that have to be met, otherwise the claims just lapse.

Mr. Sweeney: How are they monitored?

Hon. Mr. Pope: They are monitored by filing with the mining recorder's office the receipts and expenditures and verifications—actual receipts from other sources as to the expenses. There is now an artificial system of allocating man-days of work based on certain activities that are carried on and the cost of that activity. One of the demands for reform is not to relate it to an artificial man-days system but to relate it to actual cost incurred, verified by receipts from external sources.

The inventory of aggregates being carried on on a ministry district basis in Ontario is an actual mineral exploration program almost in itself. We are in the midst of a program that is probably going to take a few more years and that may be the confusion.

On wetlands policy, the discussion paper we issued and the responses we have had, I have read quite a number of them, not all of them,

from a variety of sources because I sign acknowledgements and the actual submissions are attached to them.

As I indicated, as soon as we have finished reviewing them, we will make both a summary and a copy of the responses available. We will give you a summary directly and you can have access to the actual responses themselves in our library, or whatever other system you wish to have. As soon as we are finished evaluating that over the summer months we are going to try to finalize our policy and have it issued this year. That is what we are working towards.

Mr. Laughren: Will that policy be for discussion or will that be just a final—

Hon. Mr. Pope: It will be commented on and all sorts of objections registered in terms of what our strategy should be in actual protection of that land or acquisition, etc., for some time.

Mr. Chairman: Are you on the aggregates, Mr. Miller?

Mr. G. I. Miller: No, this is on the wetlands when you get to that point. Have you completed?

Hon. Mr. Pope: Yes, go ahead.

Mr. G. I. Miller: I think the member for Lake Nipigon (Mr. Stokes) would be interested in this. It is a little letter and a short question.

"During my fishing trip this spring I visited a few different campsites and portage areas in the more remote Nipigon area and have also travelled other areas in Ontario on canoe trips. Most of these areas could use a clean up, and I would like to suggest that when the government are looking at ways to employ young people that they might begin a grant for cleaning up garbage on our lakes and rivers of Ontario." It is signed by John Winegard of Caledonia.

I just wondered, in regard to the letter, if you might have a response on cleaning up our waterways in the summer.

Hon. Mr. Pope: We hire young people under our Experience '82 program and under our forest junior ranger program. On the experience program they are mainly assigned to conservation authorities. For instance, there were 10 assigned this year to the Bruce Trail Association to clean up those areas.

The forest rangers are generally assigned clean-ups in provincial parks and other duties. On top of that we do have a special section 38 application in right now. I think it is being considered today by the Canada Employment and Immigration Commission of Mr. Axworthy's office in Ottawa with respect to joint federal-

provincial funding dovetailed into the unemployment insurance benefits for work being done in conservation areas, along waterway from the point of view not only of cleaning it up but enhancing the environment for our domestic fisheries.

We think the combination of those programs is trying to address some of those problems although with respect to some more isolated lakes and—

12:10 p.m.

Mr. Stokes: It is the responsibility of the tourist operator to see that fly-ins are kept clean.

Hon. Mr. Pope: Yes, and the access point. We admit some public access points, some are of crown land, have heavy camping pressure. There is no doubt there is no organized program available in those areas. We are trying to address that problem in developing a crown land recreational policy.

Mr. G. I. Miller: I do not think this would be applied—

Mr. J. A. Reed: Just as a supplementary that, I think it is important to discuss the wonder in how many cases the ministry is able to trace and lay charges for that kind of degradation.

Hon. Mr. Pope: Not too many.

Mr. J. A. Reed: I would just like to relate a little anecdote about an incident which took place about a mile and a quarter of the Credit River close to my farm. You remember when Operation Sweep was under way, in 1973-1974? In a stretch of about 200 yards, it actually extracted over 100 automobile and truck tires out of the silt, the roof of an automobile and various and sundry kinds of garbage. It is incredible because the river is loading up with that kind of flotsam again.

We talked about some of these rivers and attempts to keep them clean and pollution free or improve them in southern Ontario and around the Toronto area, but I am very concerned that less than five per cent of the population is careless to the point of criminal neglect. The proper enforcement procedures are not enacted or not enough serious interest is taken to prosecute those very few individuals who cause all of that kind of pollution.

Mr. Kolyn: Is it not basically an education problem to try to get people to understand—

Mr. J. A. Reed: It is an education problem. I recognize that but there are still—I think

education process has been effective to this point. I accept that and I think all of us are far more conscious today than we were 20 years ago about the necessity to preserve the environment against that physical kind of pollution.

There is still a small percentage who actually spoil the land for others. It goes right back to the relationship and the desire on the part of the ministry to have private land owners accept trespassers for various types of uses. Many private land owners would be quite delighted to accept people on their land for specific reasons, except the very small percentage who end up degrading the property to the point where it becomes unacceptable.

I wanted to make that point because it is a very difficult problem, particularly in southern Ontario, to say nothing of the experience I have had. I am sure many of us have that experience canoeing through Algonquin Park for 10 or 15 miles, only to have to spend the first half hour cleaning up the campsite in order to make camp.

One weakness of the ministry system is that they are not well-endowed with enforcement officers. They really do not have the ability to undertake the kind of enforcement that is necessary, but it is going to have to happen if relationships between citizens generally and land owners are going to improve.

The Bruce Trail opposition is a classic case. Many of those land owners were glad to open up the Bruce Trail only to find they had degradation problems they could no longer tolerate.

Mr. G. I. Miller: Mr. Chairman, I would just like to make one comment on that.

We had the all-Ontario pitch-in day which was brought in several years ago. The Minister of Natural Resources, along with the anglers and hunters, could play a role by setting a week aside in the first or second week in May across the province to have our young people involved in the cleanup day. It gives them the responsibility at a very low cost as far as the province is concerned.

It would do two things: educate our children that they have to pick up after themselves; and it would allow this minister, along with the Minister of the Environment (Mr. Norton), to play a more responsible role along that line. I would hope it would be begun this year again after missing 1980. It was held only on a one-day basis in conjunction with Shell Oil, that supplied the garbage bags. I think only \$7,500 was involved as far as the ministry was concerned. That could

be expanded to a one-week period and it would be very useful to Ontario as a cleanup program.

The other thing is about the tires. We do have a recycling firm that is picking up tires in southern Ontario. They do not do any recycling. I think they have a supply of 10 million tires on their property just out of Hagersville. It is trying to promote recycling to make it into a gum rubber or—

Mr. Stokes: Five years from now we will be building roads with those old tires.

Mr. G. I. Miller: This is what they want to do, but at present the tires sit on about a six-acre lot. At many lots in many areas they just leave the tires laying and they are an eyesore. We could be making a useful product from them. I would hope this ministry could play a slight role in promoting and encouraging cleanup.

Mr. J. A. Reed: There is a technology that freezes tires in liquid nitrogen and they can be shattered and the product then is incorporated into asphalt and extends the life of the pavement.

Mr. G. I. Miller: The owner has already looked at those areas. He is exploring it and he is working along with Stelco at the new industrial park there at Nanticoke.

Mr. J. A. Reed: We can do great things that way.

Mr. G. I. Miller: Yes. The groundwork is there if we could just get it off the ground by financing it.

Mr. Chairman: Sounds like a big company for you two gentlemen to go into.

Mr. G. I. Miller: If someone else might want to promote it—

Interjection: I will put a few bucks in.

Mr. G. I. Miller: —and set up the right environment so that private enterprise can do it.

Mr. Chairman: Jack Stokes and Al Kolyn both have questions they wish to raise. Will you go ahead?

Mr. Stokes: I want to ask one very brief question on the way you house your employees at the district level. I have raised this on at least two or three occasions in the past. I keep getting assurances from this minister, his predecessor and the Minister of Government Services (Mr. Wiseman) that you are going to do something to expedite the building of a new district office in Nipigon.

I brought to your attention that in winter months they have to wrap these trailers in plastic just to keep warm. During wet weather

they have pots and pans all over the place catching the drips and it does not make for good morale.

They have suffered under these conditions for most of the seven or eight years since the reorganization and the setting up of the district offices. We do not even seem to be able to come to a conclusion as to where the new site will be.

I sent the minister a letter and I think the reeve of Nipigon sent the minister a letter saying, "When are you going to reach a decision as to where and when you are going to make available a new district office for these very dedicated people?" We have yet to get any confirmation that you are dedicated to making it a reasonable and comfortable place to work.

12:20 p.m.

I want to follow up on something that was said with regard to the mineral industry and I hope I can catch the ear of the member for Kitchener-Wilmot (Mr. Sweeney) in this one because of his concern with the high-grading policy of a lot of companies.

The problem I want to bring to your attention is much more acute than that. That is the fact that we have three major steel producers in Ontario, namely Stelco, Dofasco and Algoma Steel, and very little of the ore that is used in the steel-making process in Ontario is actually mined in Ontario. We do have Bruce Mines up in the Ear Falls area and we have some ore up in the Temagami area, but a lot of it is imported.

I had discussions with the minister before and I had discussions with the Ontario Mining Association about this. Of course, they all keep telling me it is a matter of economics and when the climate is right and when there is sufficient demand for a large enough supply of iron ore then they will put together something and hopefully a consortium of Ontario steel companies—and for the benefit of those in the committee who are not aware of it, about 60 per cent of all of the ore consumed in Sault Ste. Marie by Algoma Steel does not even come from Ontario, it comes from the Tilden mines in northern Michigan.

We have in the Lake St. Joseph area, at the headwaters of the Albany River, one billion tons of iron ore. Part of it is owned by Algoma Steel and part of it is owned by Steeprock Iron Mines, which is a subsidiary of Canadian Pacific Enterprises. They tell me that if they could nail down an annual requirement in the order of four million tons of iron ore a year, of this one billion tons they have, then they may consider utilizing

Ontario iron ore for the production of steel this province.

In the minister's responsibility to maximize the economic benefits from resources indigenous to this province, what kind of dialogue, what kind of arm-twisting do you engage in with the major steel producers in this province to utilize the iron ore in this province for the benefit of people who collectively own this iron ore? It gets back to something Mr. Sweeney said earlier about what responsibility do we have, a government, as a Legislature, to insist that we maximize to the greatest extent possible the economic benefit available to us from the orderly exploitation of our own resources.

I know that this is a bad time to be bringing this up because there are cutbacks all over the place. Hopefully this economic situation we find ourselves in now is just a temporary aberration, but I happen to know that the three steel companies I have mentioned have been granted an easement, something like two or three kilometres wide, all the way from the Lake Joe area right down to Lake Superior, some place around Red Rock or Nipigon, which is, in a very real sense, a deep sea port, with access to Great Lakes shipping and the St. Lawrence Seaway. Given the economic benefit that would accrue to not only the people in that Pickle Lake area, the potential for economic spinoff to everyone in Ontario is bigger than anything we have seen around here in decades.

I am wondering whether someone in the mineral section of the Ministry of Natural Resources and those who are responsible for the BILD program are setting the groundwork for the ultimate development of that tremendous resource for the benefit of all of the people of Ontario.

One other thing I want to highlight is the termination of Mr. MacAlpine. I want to remind the minister of what he said in his previous incarnation on October 9, 1980, in session paper 15. I want to quote from a statement made when he was responsible for freedom of information. I am quoting just excerpts from that.

He says: "Some interim measures can be taken without legislation. I announced the first step in this direction a week and a half ago was the decision of the government to make available so-called internal law in designated ministry reading rooms. This policy has already gone into effect. All the reading rooms are now open to the public. This enables ordinary citizens

find out how and why the government is making decisions which affect them."

To quote further: "This government is committed to greater openness in its administration and increased access by the citizen. To this end the Premier last week wrote to all ministers with guidelines for civil servants in communicating with the public."

He says that this government is committed to system of openness. "The Premier says: 'Between now and the time that freedom of information legislation is enacted and the administrative apparatus for its administration is in place, there is a great deal we can do to give the policy of open government meaning and consistency. A step that can be taken in this interim period is to encourage open and responsive behaviour among public servants in their daily dealings with the public, particularly including members of the Legislative Assembly and representatives of the news media.'"

Tabled at the same time were guidelines that were government policy. There were guidelines that all civil servants were to be guided by. I just want to quote some of them.

One was: "The basic communications position of the government of Ontario is to be open and not opposed to closed in its dealings with the public. Members of the civil service have a duty and a responsibility to communicate with the public, including particularly members of the Legislative Assembly and representatives of the news media.

"It will be normal for civil servants to be interviewed by the media in regard to the actual information and to be quoted by name in regard to such interviews. Civil servants acting in good faith under these guidelines will not be considered as having violated their oath of secrecy."

That is the end of the quote with regard to the guidelines that were issued to every minister and every ministry of this government by the Premier.

1:30 p.m.

I want to quote from a document I have in response to a question I put to a district manager asking him for information on wood supplies. This document was back in the seventh month of 1981 where I raised with the district manager the very things that were communicated to me later on by an employee of this ministry.

In July 1981 I wrote to the district manager and asked him what the policy was with regard to the allocation of timber, what the inventories

were and what would be the likelihood of a person like Mr. Buchanan getting sizeable cutting rights on the Black Bay peninsula and other parts of the Port Arthur management unit.

In writing to the minister on November 26, 1981, I quoted information from letters written to Mr. Fleming and signed by Mr. Foster, Mr. Foster being the deputy minister and Mr. Fleming being the vice-president of woodlands operation for Domtar, and another one from Mr. Foster to Mr. McCormack. I was talking about that information in communications with your district manager as early as July, eight months before Mr. MacAlpine was ever asked if he had discussed the particulars of this application with somebody else.

I am not going to read into the record the communication I sent to Mr. Koistinen and the response I got back. But it is passing strange when the information that is contained in the letter I wrote to you, Mr. Minister, on November 21 was a part of the information I had received in talking to Mr. Buchanan. He travelled all the way from Thunder Bay to my home in Schreiber to discuss his application with me and to see whether or not he could enlist my support for further allocation of timber to satisfy the needs at the Sapawe Mill just outside of Atikokan.

I got information from Domtar, I got information from Mr. Buchanan and I got information from talking to people within your ministry. I talked to others who needed wood supplies in the area. It just boggles the mind why you would make a sacrificial lamb out of this forester for not only following the guidelines you yourself, sir, tabled in the Ontario Legislature that were given to you by the Premier—I was going to say the first citizen of this province; it would be the second citizen of this province as the Lieutenant Governor is still the first citizen—and fault this person simply because he was acting in a responsible way with the management of the forestry resources in this province.

To add insult to injury, you are doing precisely what he suggested you do before you allocate further supplies of timber by way of licence or volume agreement to a third party. You have done precisely that, which indicates to me and any other reasonable person that the advice he was trying to give your people was sound advice. You took it, and you have yet to allocate any of these funds until you have an accurate forest resource inventory.

Can I ask you here and now if you will reinstate Mr. MacAlpine? Everybody who knows him knows he is a person who is dedicated to his

profession, dedicated to the resource he is responsible for and dedicated to his employers who happen to be the people in the province of Ontario.

Since his termination he has made application to your ministry under a big form of contract for regeneration, tree planting specifically, in this province. He has been successful in getting two contracts for tree planting because he is probably the most qualified person you have ever had to spend the money you have for regeneration purposes. He is doing an excellent job. In light of what you said in response to my question last evening, will you reinstate Mr. MacAlpine forthwith?

Mr. Chairman: I do not like running out of time. Mr. Kolyn, did you have a couple of questions you wished to ask?

Mr. Kolyn: Yes. It will just take a second. Mr. Minister, in the mining sector, what are we doing in the Canada lands? Do we have any projects up there or do we not go that far because of economical conditions of transportation, etc?

Hon. Mr. Pope: Do you mean in the far north?

Mr. Kolyn: Yes.

Hon. Mr. Pope: First, we are rapidly expanding our geological survey program. We are using, more than ever before, satellite data from the Landsat satellite and using that for resource inventories and making that information available to the public. We are involved under the Ontario Energy Corporation, looking at a number of deposits, including an exploration program and a joint venture structure in James Bay and Hudson Bay.

Mr. J. A. Reed: Are you going to have a debate on offshore resources if you find oil in Hudson Bay?

Hon. Mr. Pope: That is an interesting question and there are interesting arguments both ways on the issue. To avoid the argument at this point, we have issued both provincial and federal leases in the area.

Mr. Sweeney: Who are the parties in the joint venture? Who are involved?

Hon. Mr. Pope: The other party is one of the regular oil exploration companies and OEC, and the Quebec crown corporation is the third party, although it may have sold out its interest just recently because of its financial problems. Those were the original three. There was one private exploration company, OEC and a Quebec crown corporation. I forget its name.

Mr. J. A. Reed: Amazingly, it was not Suncor. That was the thing that really surprised me because that announcement just followed or the heels of the Suncor purchase, yet Suncor's expertise, whatever that may be, was not utilized.

Hon. Mr. Pope: There are a number of programs in place and a number of licences of exploration have been issued under the Mining Act prior to my being minister to a few other companies for massive exploration programs on the Albany River, the Mattagami River and Moose River systems that are now being worked on.

Mr. G. I. Miller: Has any drilling taken place?

Hon. Mr. Pope: Yes. Exploratory long-pole drilling has been taking place.

Mr. G. I. Miller: This year or was it in 1981?

Hon. Mr. Pope: It started last summer.

Mr. Kolyn: I have just one other thing that has been sort of bothering me. I have noticed travelling through the United States that there is a lot of open-strip mining. How extensive is it here in Ontario and what is the government policy on it?

12:40 p.m.

Mr. Chairman: Mr. Minister, could you go with Mr. Stokes, bearing in mind that you have to answer everything by one o'clock?

Hon. Mr. Pope: I will admit that the district office in Nipigon is on the priority list, in the top two or three on our priority list for capital expenditure. I think we are just finalizing, in an overall government perspective, a five-year capital program for all the ministries. We have been in our policy field in the cabinet, making our submissions with respect to our priorities vis-à-vis those of other ministries. We are hoping we will be successful. We hope that as soon as we get that decision, we can proceed rapidly to finalizing the location. I cannot add any more to what I said last year.

We are doing further studies through contacts with the steel industry and through our own contacts with the iron ore companies, those having holdings with iron ore development potential. We are hopeful we will have information available in early 1983. On a variety of levels and with a variety of mechanisms, we have tried to encourage the development of iron ore deposits. There have been no development decisions made up to now by these companies but we are hopeful they will review the potential of Ontario and go with it.

Mr. Miller: Is the quality as good as that?

Hon. Mr. Pope: There was a statement made by Mr. Auld in 1980 based on some reports we did. There were a lot of questions, as I recall from the sidelines, between Mr. Cassidy and Mr. Auld at that time, concerning that iron ore study. A number of statements were made by Mr. Auld based on the information we had at our disposal that quality and grade or the type of ore was a problem.

Mr. Stokes: It is the metallurgy. The quality is excellent.

Hon. Mr. Pope: The metallurgy? I am sorry, that is quite right. That was the problem perceived by the steel industry.

Mr. G. I. Miller: How far is it from Red Rock? You mentioned Red Rock. I just happen to have the map here.

Mr. Stokes: It is about 370 road miles from the city of Thunder Bay to Pickle Lake. Add 70 miles on to that on the bottom end and deduct 30 miles off the top end. You are looking at about something in excess of 300 miles as the crow flies.

Mr. G. I. Miller: Can you mark it on the map?

Mr. Kolyn: How do you get that ore to the head of Lake Superior? Would you have to build a rail line, a spur line, or what?

Hon. Mr. Pope: A rail line or a slurry, a pipeline. I think it will be a slurry, a pipeline.

With respect to the MacAlpine issue, Mr. Stokes is right. We did discuss that last night. I cannot make a statement that I will reinstate Mr. MacAlpine. The matter is before the appeal board and a number of the issues will be developed there.

There is no strip mining in Ontario at this time. There is open pit mining, but that is not of the same nature as the strip mining. The only potential for strip mining might be in Onakawana, in which case the development plan would have to be filed with us, which includes rehabilitation.

Mr. Chairman: Is there anything else at this stage?

Mr. G. I. Miller: Are we about completed with this?

Mr. Chairman: We are all hungry, if that is what you mean.

Mr. G. I. Miller: I am hungry too. I would just like to get back to fishing if I could. Can I drop back to that and ask a question?

In regard to fishing on Lake Erie with the commercial fishing industry, I wonder if the minister would care to make some comments in

regard to the licensing and quota requests as far as smelt are concerned and maybe give us an update report on how that is progressing?

Hon. Mr. Pope: The only thing I can report is that, as usual, the commercial fishing industry disagrees with our quotas. We are convinced we need quotas on these species for a number of reasons.

We are also concerned that on Lake Erie, when we attempt to get some rationalization of commercial licences, everyone starts gearing up. We think there are some long-term problems in the commercial fishing industry that will require some rationalization of licences, some modernization and some economic diversification.

The sooner we can get recognition of that by the commercial fishing industry and some willingness to work with us on it, the faster we can get some of these economic problems solved. The way it is going, we are going to have a lot of marginal commercial fisheries in this province. People would not be earning an adequate economic return on them.

There is a report that was prepared for me by our fisheries branch on the modernization of commercial fisheries. We are going to be releasing it and be engaged in discussions over the summer with the commercial fishing industry and their representatives. Hopefully, we can get some agreement on at least a basic policy of modernization and rationalization.

The way we are going now there will be a lot of problems for a lot of people.

Mr. Stokes: I can tell you that some of the people who have run into difficulties in the Lake St. Clair and Lake Erie areas have gone off and purchased equipment. They are therefore having licenses transferred to them after having come from your area up into Lake Nipigon.

They are causing real problems for the indigenous commercial fishermen. I just showed the minister a letter; I do not have time to read it into the record. I am going to supply the minister with a copy of this letter, and I will share a copy of it with you to indicate the problems we are having in allocating sufficient tonnages to make a viable operation for commercial fishermen.

Everywhere in Ontario, other than the remote inland lakes where there is underutilization at the present time, there is a conflict between tourist operators, independent anglers and commercial fishermen, including the likes of aboriginal people. It is a real problem. It is not going to

get better, it is going to get worse. I will share a copy of it with you.

Mr. J. A. Reed: Do I understand this to mean—and it cannot be, just from the conversation—that a licence is issued to a commercial fisherman and that he can fish anywhere in the province, on the Great Lakes and so on?

Hon. Mr. Pope: No.

Mr. J. A. Reed: Then how did this fisherman from Lake Erie end up in Lake Nipigon?

Mr. Stokes: You get a commercial fisherman operating in Lake Nipigon. He is either too old to pursue that livelihood any longer, or he passes away and it passes to his wife. She obviously cannot do it, so they put it up for sale.

The ministry does not like to be accused of trafficking in licences. They say, "We cannot throw this widow out on the street with a boat, a lot of gear, and a lifetime of equity." What they will do is say, "Well, all right, if you can find a buyer."

I can name two people from Gordon Miller's area who have done that. They have gone up and got the gear at bargain basement prices and then they have a quota. The ministry has reduced the quota, which does not make these operations viable any more. That is the problem.

Hon. Mr. Pope: One of the other problems we have on Lake Erie is the east versus west problem that you have been drawing to my attention. Secondly, we have been trying to get quota adjustments on the basis of past performance as opposed to equal distribution. We now have several groups of organizations in Lake Erie, so the situation is getting worse, not better.

Even in the western Lake Erie area, we now have two different associations. I am meeting one group tomorrow morning; I have met the other group with Mr. Mancini in Windsor. We are going to have to come to some final, harsh decisions in the near future.

Mr. G. I. Miller: I believe we have requested a meeting with a group from the eastern end too when it is possible. I know it is not an easy chore to bring these together, but I think the fishermen have indicated, by asking for a quota, that they are concerned about their future. It is a matter of getting everyone to co-operate, and I would only be too happy to participate in trying to achieve that. I do recognize that some have moved into Lake Superior. I did not realize they

were in Lake Nipigon. That is something I was not aware of.

12:50 p.m.

I just hope we can in the near future bring the group in Port Dover to sit down with you, to let them express their concerns and get some feedback. As soon as possible, we will be trying to arrange that.

Interjections.

Mr. G. I. Miller: I guess that would be a good question to ask the minister. How is it that I have not had a report just recently? Is the smelt fishing holding you up as far as quantity and tonnage are concerned? Do you have an update on that?

Hon. Mr. Pope: I do not think the market has turned around sufficiently so that you are going to get fishing up to the quota limits.

Mr. G. I. Miller: Do you mean the demand has dropped off?

Hon. Mr. Pope: Yes. Last year—I cannot remember the numbers—we did not even come halfway towards the quota limit because of the market.

Mr. G. I. Miller: Just as a sidelight, I think they are having the fishing—what do you call it? It is the fishing contest that was held at Kingsville I believe, last year.

Interjection.

Mr. G. I. Miller: Wheatley. It is being held at Port Dover this year. I do not know if you have been invited to attend that or not.

Hon. Mr. Pope: It could be. I do not recall it.

Mr. G. I. Miller: I just got notice the other day that it is being held on July 10. I am not exactly sure of the date, but you would certainly be welcome to come if you have an opportunity.

Hon. Mr. Pope: Thank you.

Mr. Laughren: May I ask one question which I asked before? It had to do with the merger of Chapleau Lumber and Wesmak Lumber in the Chapleau area. It had to do with the closing of two small communities, the closing of one and the near-closing of the other.

The minister said a year ago he would investigate whether or not that was the proper way to trade cutting limits.

Hon. Mr. Pope: All I can tell you is that we did investigate it. Based on the documentation we were supplied with, it appeared to us to be legitimate amalgamation of the three companies. The fact of the matter is that it did have an impact on the communities. Some of the speci-

s of what happened in the communities, I think, should have been handled differently by the companies.

It is small comfort to you, I know, but I did review it myself and look at the documents.

Mr. Laughren: It may be legal but it was not right.

Mr. Chairman: Does vote 2504 carry?

Vote 2504 agreed to.

Mr. Chairman: Thank you, Mr. Minister, for your co-operation in the hearings and for the unprovocative way in which you handled yourself most of the time. This concludes the estimates of the Ministry of Natural Resources.

I would just like to indicate—and you can indicate it to those who may be interested—that tomorrow night, when this committee sits at 8 p.m., we will consider the Weiler and the government white paper on workmen's com-

pensation and procedures for hearings in September.

Mr. J. A. Reed: Mr. Chairman, my party will be substituting all three members.

Mr. Chairman: When we finish that at—I would be guessing—maybe nine o'clock, we would probably get into consideration of Bill 115, as far as procedures for hearings starting next Monday.

There may be substitutions, one or the other. I would expect that the committee would concur, notwithstanding you are supposed to be substituting at the start of the meeting, that we might allow those from each party. There are two separate issues that we are considering.

Mr. Stokes: We are reasonable people.

Mr. Chairman: We will adjourn then till 8 p.m. tomorrow.

The committee adjourned at 12:55 p.m.

CONTENTS

Wednesday, June 23, 1982

Resource products program.	R-435
Adjournment.	R-463

SPEAKERS IN THIS ISSUE

Adrewes, P. W. (Lincoln PC)
 Harris, M. D.; Chairman (Nipissing PC)
 Klyn, A. (Lakeshore PC)
 Laughren, F. (Nickel Belt NDP)
 Miller, G. I. (Haldimand-Norfolk L)
 Poir, Hon. A. W.; Minister of Natural Resources (Cochrane South PC)
 Reed, J. A. (Halton-Burlington L)
 Stokes, J. E. (Lake Nipigon NDP)
 Stenev, J. (Kitchener-Wilmot L)
 Vienneuve, O. F. (Stormont, Dundas and Glengarry PC)



Ontario, LEGISLATIVE ASSEMBLY

No. R-18

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Resources Development
Estimates, Ministry of Energy



Second Session, Thirty-Second Parliament
Tuesday, October 19, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Chairman: Harris, M. D. (Nipissing PC)

Vice-Chairman: Andrewes, P. W. (Lincoln PC)

Di Santo, O. (Downsview NDP)

Fish, S. A. (St. George PC)

Kolyn, A. (Lakeshore PC)

Laughren, F. (Nickel Belt NDP)

McNeil, R. K. (Elgin PC)

Riddell, J. K. (Huron-Middlesex L)

Sweeney, J. (Kitchener-Wilmot L)

Villeneuve, O. F. (Stormont, Dundas and Glengarry PC)

Williams, J. (Oriole PC)

Wrye, W. M. (Windsor-Sandwich L)

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service Information Services Branch, Ministry of Government Services, 5th Floor, 880 Bay Street Toronto, M7A 1N8. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.



LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Tuesday, October 19, 1982

The committee met at 8:08 p.m. in committee room 1.

ESTIMATES, MINISTRY OF ENERGY

Mr. Chairman: I will call the meeting to order to consider the estimates of the Ministry of Energy.

Mr. Kerrio: Mr. Chairman, I would like to move a motion before we start the proceedings.

Mr. Chairman: We have started the proceedings. I went through this once before with similar members in similar circumstances.

Mr. Kerrio: I think a motion is in order at any time.

Mr. Chairman: That is fine, as long as you understand what we are doing.

Mr. Kerrio moves, notwithstanding the orders of the day for the standing committee on resources development as listed on the business sheet for Tuesday, October 19, 1982, that pursuant to the petition tabled in the Legislature on Tuesday, October 19, 1982, requesting the referral to the standing committee on resources development of the annual report on Ontario Hydro for the year ending December 31, 1981, that the same annual report be brought before the committee so that this committee may conduct an inquiry into Ontario Hydro's capital expansion program and its impact on electricity rates increases.

Mr. Kerrio: Mr. Chairman, I would like to put arguments as to why this motion should be heard.

Mr. Andrewes: On a point of order, Mr. Chairman: The estimates have started.

Mr. Chairman: Yes.

Mr. Andrewes: Then this is completely out of order.

Mr. Kerrio: For what reason? You could put the question and we could debate that too, if you want to start there by suggesting it is out of order. It is completely in order.

Mr. McNeil: No, it's not.

Mr. Sargent: Are you making a new set of rules or what?

Mr. Chairman: The motion proceeds, not-

withstanding the orders of the day. I would just remind all members that we are into the orders of the day, which are the estimates of the Ministry of Energy. I do not think it is out of order, if this is what you wish to do with that time, as long as you understand it is in that context.

Mr. Kerrio: I would like to give my reason for putting the motion. It starts with the Ontario Hydro annual report, 1981, on the very first page. We have quarrelled many times in the Legislature about Hydro's role of changing its mandate to sell its own power out of Ontario, which in itself is bad enough. We now come to a point in Hydro's existence where, in the opening page, we find a question and an answer here that demands an answer from the Minister of Energy (Mr. Welch) to set down some kind of rules under which Hydro is going to have to function.

8:10 p.m.

Here is the reference: "Hydro appears to be a major instrument in the government's determination to stimulate the provincial economy. Can you comment on this?" Mr. Hugh Macaulay responds as follows: "The Ontario government has called Hydro's power system a cornerstone of the provincial economy and said that the continued vitality and development of that system is essential to sustaining Ontario's economic growth."

"That kind of thinking, coupled with a new awareness of the value of indigenous energy resources and a need to end our dependence on fossil fuels, has resulted in new approaches to planning at Ontario Hydro. Instead of working merely to meet anticipated demand, we are now looking at a wider role for Ontario Hydro and considering the effects our large construction projects, our exports, our rates and, in fact, all our activities can have on the social, environmental and economic life of the province. That is one reason we are going ahead with new hydro electric projects and completing the nuclear ones we have started while we are in a period of surplus generation."

Those are some things that are going far beyond the mandate of providing the cheapest possible power for the power users of Ontario,

with a promise that we would never be in the business of selling firm power outside our country. I find that we are digressing very far from Ontario Hydro's original mandate.

We have released a statement today of how we feel about this particular issue, in a press release that has to do with what I am referring to in this particular motion. Today we in the Liberal caucus have taken steps to enable a legislative committee to inquire into Ontario Hydro's capital expansion program and its impact on electricity rate increases to Ontario consumers. We have petitioned the Legislature to refer the annual report of Ontario Hydro for the year ending December 31, 1981, to the standing committee on resources development.

Ontario Hydro rates have been forecast by Ontario Hydro as increasing by 54 per cent over the next three years. A major factor contributing to these skyrocketing electricity rates in Ontario is Hydro's present system expansion program and mismanagement. The Ontario Energy Board recognized this fact when it reported to the minister this year with regard to Hydro's bulk rate for 1983 that its system costs are heavily impacted by the capital program and that little can be done by the board in the way of economy measures to reduce such costs without effective participation in the determination of the system expansion program.

Since the select committee on Ontario Hydro affairs was disbanded by the government, Ontario Hydro has been left to review its own capital expansion program. Ontario consumers are now faced with an overexpansion whose cost is enormous and staggering. Ontario Hydro is plagued with a costly surplus of oil, coal, uranium and heavy water. The counsel for the Ontario Energy Board stated during hearings this year that of the total gross revenue requirements of \$4.2 billion over 50 per cent consists of costs which cannot be thoroughly examined.

I say to you, Mr. Chairman, in view of the fact that Hydro has strayed far from its original mandate and that now we cannot even examine the cost requirements, as they are so ably described here by the Ontario Energy Board, we feel that the resources development committee is one avenue left for us to examine this matter. What is good for Ontario Hydro is not necessarily good for Ontario because we cannot afford the cost and economic waste of having a state within a state, and I think that aptly describes Ontario Hydro.

On other occasions we have drawn to the government's attention that Ontario Hydro, in

order to justify its existence, has grown in a state that do not appear necessary for people to operate who are expected to produce power. I am suggesting there are areas of public relations, with inordinate numbers of people working in those areas, that do not have a thing to do with generating power. There are ads in the paper suggesting that Hydro has "a speaker for your audience." Within Ontario Hydro there are 121 people in public relations. That is on a few bodies short of the total number of people. The Minister of Energy has for that ministerial function.

This latest report, with the expansion of the mandate, frightens me into thinking we are going to let this state within a state keep enlarging and going into different areas and it even have the minister determine what is the mandate of Ontario Hydro and keep Hydro on some kind of containment so that it doesn't run wild. The last person who had any kind of gumption in this government was Day McKeough, who was the minister then. It seemed that he did the people of Ontario a wonderful favour when he put the brakes on Ontario Hydro. I wonder where it would be if he not done that at that time.

This is just like setting aside the business of the House. We must begin to get involved in putting the brakes on Ontario Hydro by designing their mandate again for them and by telling them what they should be doing, not letting them go the hypocritical route of overbuilding and then have them in charge of alternate fuels and energy conservation, of solar heat and all these other things. It just doesn't make sense if they are going to do any kind of a job in any of those related areas. I think the time has come when Hydro is going to have to go back to the mandate which it was first given, namely to produce the cheapest possible power for the people of Ontario.

Mr. Chairman, when you look at the fact that we are talking about rate increases over the last few years of 54 per cent, you would have to agree that it has to do with the major expansion and mismanagement of Ontario Hydro. The fact that the Ontario Energy Board could not look into the reports to the degree that it should have to make a proper assessment of what is going on proves that Hydro is beyond the reach of the Ontario Energy Board. The board recommended that an examination of the capital expenditures and costs be undertaken by the board in the near future. The minister himself places great confidence in the board, but

ould appear that Ontario Hydro, while it goes before the board, is not subject to the board's decisions.

Mr. Chairman: Mr. Kerrio, the motion here is that Hydro's annual report be brought before the committee. Are you speaking to that motion?

Mr. Kerrio: That's right, and I am giving you the reasons it should be brought before the committee. I don't think there is any friction on that, is there?

Mr. Chairman: It is before the committee.

Mr. Stokes: It is before the committee now. The very fact that 20 members would stand in their places in the House and ask that it be referred to this committee is sufficient reason for its being here and it is before this committee now.

Mr. Kerrio: My motion is to set aside this time to hear this.

Mr. Stokes: Your motion doesn't say so.

Mr. Chairman: Just a minute. With respect, the motion doesn't say that. As I read the motion through again, it says to put it before the committee.

Mr. Kerrio: And that this same report be brought before this committee.

Mr. Chairman: It is.

Mr. Kerrio: I am telling you the reasons why it should be brought here.

Ms. Fish: It is.

Mr. Chairman: It is now before this committee.

Mr. Kerrio: Yes, that's fine. I'm telling you the reasons why I want it brought. Am I not allowed to do that?

Mr. Stokes: It is a question of when the committee wants to deal with it, that is the very thing that has to be decided.

Mr. McNeil: You're completely out of order.

Mr. Kerrio: I don't think so.

Mr. Sargent: Suppose they don't want to deal with it? Who is going to conduct an inquiry on Hydro?

Mr. Stokes: They haven't reached that point.

Mr. Kerrio: Until I make my submission, how will you know when you reach that point?

Mr. Stokes: It is before the committee. There is nothing in this motion that says when you as the mover would like it to be discussed.

Mr. Kerrio: No. I'm giving you my reasons why it should be.

Mr. Stokes: You don't have to do that.

Mr. Kerrio: Well, I'd like to do that.

Mr. Stokes: It's not necessary; it's superfluous.

Mr. Kerrio: I didn't say it was necessary.

Mr. Stokes: It's out of order.

Mr. Kerrio: Wait now; it's not out of order.

Mr. Stokes: It is before the committee now.

Mr. Kerrio: And I'm speaking to it.

Ms. Fish: But the motion is out of order.

Mr. Kerrio: No, it's not out of order.

Mr. Stokes: There is nothing in the motion that says when you want it discussed.

Mr. Kerrio: No; the motion has already been accepted and I am giving you the reasons why I'm putting it.

Mr. Chairman: I don't see much disagreement from anybody here. You understand we are into the estimates of the Ministry of Energy.

Mr. Kerrio: Notwithstanding the orders of the day, I'm suggesting that that time would not be part of this discussion.

8:20 p.m.

Mr. Chairman: I think I have indicated to you that we are on the orders of the day. We are into the estimates.

Mr. Foulds: Hold on, Mr. Chairman. I have to challenge you. You did allow the motion and any debate that takes place is part of that.

Mr. Chairman: I allowed the motion as part of the estimates of the Ministry of Energy. I called the meeting to order. I announced the estimates of the Ministry of Energy. I said, "Are you clear what we are here for? If you wish to discuss it in that context, fine."

That is what I said and that's the way I ruled. The motion as I see it is, I guess, not out of order. I don't know that it's necessary because I think it will be supported unanimously.

Mr. Stokes: The motion doesn't say anything except, with the greatest of respect—

Mr. Kerrio: May I say something?

Mr. Stokes: It's superfluous though. The very

thing that you are requesting in here was done by virtue of the fact that 20 members stood in the House.

Mr. Kerrio: That doesn't have anything to do with discussing it here, right now.

Mr. Chairman: That isn't your motion, of course.

Mr. Stokes: Your motion doesn't say when you wish to discuss the referral.

Mr. Chairman: Carry on, Mr. Kerrio.

Mr. Kerrio: It has to do with what we're going on with right now, I thought. I don't see anything out of order and I'm just speaking to the motion.

Mr. Stokes: It's totally superfluous.

Mr. Kerrio: I never accuse the members of the NDP, when they are speaking at any length, that it is superfluous—and many times it is.

Mr. Stokes: The very thing you are asking for—

Mr. Kerrio: I'm just telling you that is the way it is. I am giving the reasons why I put the motion.

Mr. Foulds: Okay, fine.

Mr. Kerrio: I'm not finished yet.

Mr. Foulds: Go ahead.

Mr. Stokes: It's already here.

Mr. Kerrio: That's right, and I'm telling you the reasons why it's here.

Mr. Chairman: Mr. Kerrio, with respect, the motion really doesn't say what I thought it said. I really don't think it is in order.

I don't think we have jurisdiction to undo what has been done by 20 members of the House, that is, to put it before this committee. It's there now. I don't think we can move to remove it from there. We can deal with it and report it back, but we really do not as a committee have jurisdiction to undo what has been done by 20 members of the House, and that is to put it before this committee. It's there now.

I said that I thought it was in order. The motion really isn't in order.

Mr. Kerrio: It's pretty explicit that the same annual report be brought before this committee so that this committee may conduct an inquiry.

Mr. Sargent: When? Do you want to conduct the inquiry now? When?

Mr. Kerrio: What I'm saying is that if motion before this committee is in order, I can speak to the motion.

Mr. Stokes: The very thing you're begging has already been accomplished.

Mr. Kerrio: Not really. I'm asking that it be heard now and here.

Mr. Stokes: It doesn't say so.

Mr. Kerrio: It does say so.

Mr. Chairman: I think, with respect, that it asks us to do something for which we really don't have jurisdiction. I have to move it out of order.

Mr. Kerrio: The order of the business cannot be set by you, Mr. Chairman, and a precedent has already been set.

Mr. Chairman: This doesn't ask me to set the order of business. With respect, it asks me to do something that has already been done by a motion of 20 members of the House. For that reason I don't think it is within our jurisdiction and I rule it out of order.

Mr. Sargent: Mr. Chairman, could you please tell the committee, then, that someone not conduct an inquiry into the extension of Highway 401, and what committee of the House is more suitable for it than this committee?

That is the most important thing we will do in this whole Legislature this year. I don't think any snap decision of yours should say, "No one will not discuss this matter." It's costing billions of dollars, affecting the lives of all the people of this province.

Mr. Williams: That's not the point.

Mr. Sargent: What is the point then? Are we not going to discuss this?

Mr. Chairman: Just a minute now. Since you've asked me, you have not said anything that has anything to do with this motion. It's before the committee. I don't have a choice to accept or reject it. Those are the rules of the House here and no one is questioning that.

Mr. Kerrio: The motion is there, Mr. Chairman. I was speaking to the motion.

Mr. Chairman: I believe I have ruled the motion is out of order. I apologize if I misled the committee at the start. There really is no reason that this motion can be in order, in my opinion.

Mr. Sweeney: Mr. Chairman, may I speak to the motion, please?

Mr. Chairman: What motion?

Mr. Sweeney: The one that is on the table now that the chairman of this committee accepted a few minutes ago.

Mr. Chairman: No, I am ruling it out of order at this time.

Mr. Sweeney: We would have to challenge your ruling because you did rule it in order and did allow the discussion to start on it. I am not aware of any procedural application that pertains that to take place. Once the chair rules—

Mr. Sargent: What changed your mind, the minister or what?

Mr. Chairman: I took some time to look at it. It could be the first one to admit that it is obvious I made a mistake and the sooner I correct it the better, and I am ruling it out of order.

Mr. Sargent: What are you going to talk about, the ball game or what?

Mr. Chairman: Do you wish to challenge that ruling?

Mr. Sweeney: I would have to challenge it, Mr. Chairman.

Mr. Chairman: Those in favour of the ruling? Those opposed?

The ruling of the chair is upheld.

Mr. Kerrio: That is what you call closure.

Mr. Chairman: No.

Mr. Stokes: Not at all.

Mr. Sargent: How would you do it?

Mr. Stokes: The very thing the motion asks for was accomplished by the member who stood up and indicated he had 19 other members who voted the annual report of Hydro referred to the committee. That was done.

Mr. Sweeney: I accept the comments of Mr. Stokes, but surely it is implied in the first line, "notwithstanding the orders of the day," that is clearly an implication that the orders of the day be set aside and that this motion be dealt with now. That is the time line, that is the motion that was accepted.

It does not have to say that; it is automatically implied in that first line.

Mr. Chairman: I really do not think that is what it says and we have ruled on that. I do not think it is in order to go back and redebate it. We have the minister here. I believe he has an opening statement to make on the estimates of his ministry. Mr. Minister, we welcome you here and call on you at this time.

Mr. Welch: Mr. Chairman, members of the committee, I am pleased to share with you and those who join us this evening the strategy

and policies that are shaping the energy future of the province. Some of you will recall that shortly after assuming my present portfolio I issued a report entitled, *Energy Security for the Eighties: A Policy for Ontario*.

The message in that report and the message I have stressed repeatedly since the introduction of that report is that our energy problem in Ontario, indeed the energy problem of Canada, is oil. Canada is importing nearly 25 per cent of its supplies of crude oil, and if we do not press forward with vigorous actions, that dependency is going to increase by 1990. The problem then, as far as the energy situation in this country is concerned, is oil.

The outflow of dollars to pay for this oil at world price levels can be recognized as a very serious strain on the economy of Canada and Ontario. Much of our current economic malaise can be traced directly to our dependency on foreign oil and the impact of the price shocks of 1979 and 1980. So the strategy which I outlined in 1979 continues to be the cornerstone, not only of our energy policy but of the policies of virtually all other jurisdictions in the world which have subsequently wrestled with this problem.

It has three components as far as we in this country are concerned: first, to find more oil in Canada; second, to substitute other energy forms for oil, particularly natural gas and electricity, which are in ample supply and readily available; and third, to conserve our use of all energy forms, particularly petroleum products.

A lot of what I have said and the projects which I have announced since 1979 have concentrated on the whole area of energy conservation. I would remind you that Ontario is a leader with its innovative and broadly-based programs in this area of conservation.

8:30 p.m.

I have also stressed substitution, the contribution that can be made by further tapping Canada's extensive natural gas reserves and our strong and well-run electrical supply system, which is Ontario's own contribution to our oil supply problem.

The first component of our strategy was, and I would remind each one of us that it remains so and is crucial to the development of our policy, to find more oil in Canada. Unlike many countries which are dependent on uncertain and costly world oil supplies, Canada is in a very fortunate position because Canada has alternatives to importing oil.

We are a nation which has been blessed with

resource riches in the frontier areas, in our north, off our east coast, in our oil sands, and in the existing producing areas. In all of these areas Canada has very large potential resources. What we are going to have to do then is to get on with the job of finding and developing those resources.

I simply ask a question which would interest all of us, particularly in the resources development standing committee. How can we in Ontario contribute to this crucial task which faces the whole country?

Mr. Stokes: Do you want an answer to that or was that rhetorical?

Hon. Mr. Welch: No, I was going to go on to answer the question.

Mr. Stokes: You are going to explain why you sold Syncrude.

Hon. Mr. Welch: I thought perhaps over the period of the next nine hours or so there may be others who would like to amplify that answer, in true railway fashion.

On September 4, 1974—I want that date to be marked very clearly; that is a very important date, that is shortly after the formation in this province of the Ministry of Energy—the then minister to whom reference has been made in such glowing terms already this evening, although out of order, announced that the government intended to create an Ontario energy corporation to invest in and encourage projects and activities that were significant for Ontario and Canada's future energy security.

Mr. Sargent: That is a laugh.

Hon. Mr. Welch: Although in that announcement, Mr. Chairman—

Mr. Sargent: You and Mr. Kierans got together and bought Suncor. That is the way you spend the money.

Hon. Mr. Welch: Just so I do not lose my train of thought, I will start the beginning of that sentence again.

Although in that announcement, as the member for Grey-Bruce will recall, particular focus was given at that time to the need to develop feasible transportation systems for frontier natural gas, it was also noted—

Mr. Sweeney: Excuse me, is this a very lengthy statement? Should we have copies?

Hon. Mr. Welch: No. These are just some spontaneous observations.

Mr. Sargent: This is like the Gong Show. Who wrote this stuff?

Hon. Mr. Welch: That is because my writing is so bad.

Although in that announcement particular focus was given to the need to develop feasible transportation systems for frontier natural gas it was also noted that it could become timely to invest directly in the exploration and development of new oil and new gas supplies. That was all part of the debate, a very interesting debate to read, in 1974.

Now this policy was implemented in 1974. The member for Lake Nipigon (Mr. Stokes) was quick to remind of us that just a moment ago The Ontario Energy Corp. in 1975 invested \$100 million in Syncrude after one of the American sponsors of that particular project, the Atlantic Richfield Company pulled out. Ontario, together with the governments of Alberta and Canada helped make Syncrude happen.

Mr. Sargent: I told you to sell it and you sold it the next month.

Hon. Mr. Welch: This project is now virtually indispensable part of our Canadian economy.

The taxpayers of Ontario invested \$100 million in 1975. When you look back on 1975, there were those, can you imagine it? at that time we said that was too much to pay. Yes, it is all in the record. It was too much to pay in 1975. Indeed there were those who said in 1975 that it was even unnecessary. You can read in the record that the word used was "foolhardy." Can you imagine that? Unnecessary and foolhardy, they said. It is pumping oil at the moment.

Mr. Foulds: It is too bad Ontario does not do that.

Interjections.

Hon. Mr. Welch: The fact remains, however, that if Syncrude was not in place today—I am glad you interjected because it just came to my mind—

Mr. Stokes: It does not really pump oil.

Hon. Mr. Welch: No. Pumping is not the proper verb to use there. It is producing.

Mr. Stokes: They mine the tar sand.

Hon. Mr. Welch: That is right. One would have to be precise.

Interjections.

Mr. Stokes: So as not to mislead.

Hon. Mr. Welch: The fact remains, however, you describe it, that if Syncrude was not in place today—I say this to my friend from Kitchener

Wilmot—Canada's imported oil bill would be 1.4 billion higher this year than it is. That is a fairly significant contribution.

Mr. Sweeney: Ontario made that happen.

Hon. Mr. Welch: Ontario helped make that happen.

As the member for Grey-Bruce was quick to point out—and I want to give him some credit—when the Syncrude plant was in place, we then sold our interest to the private sector for a profit. Unlike some others, we do not embrace an ideological dogma on this side of the House that says that governments should be the sole actor on the energy scene.

Mr. Sargent: Someone must have made a big buck if they told you to sell it.

Mr. McNeil: You are the one that advised them. You just said that.

Mr. Sargent: That was an accident.

Hon. Mr. Welch: The advice or the fact that we followed it?

Interjections.

Mr. Chairman: In a very nonprovocative way, the minister is referring to some jottings, and I would just as soon that he carries on.

Hon. Mr. Welch: The point I really want to make is that we did our job. We made things happen and then we moved on to the next task. That was 1975.

The Syncrude situation, where a foreign-owned company for its own reasons walked away from a project Canada needed, was a very early sign of what has been recognized as a need by the Canadian people and by Canadian governments, be they located in Ottawa or our own provincial capital. Quite seriously, if our energy future is to be secured, Canadians are going to have to play a substantial part. As a result, Canadians will share, to a greater extent than they have in the past, the rewards of achieving this goal.

To ensure this, in 1980 the government of Canada indicated that greater encouragement could be given to Canadians to participate in this endeavour with a system of petroleum incentive payments that provide larger grants for companies as their degree of Canadian ownership increases. That is five years after Syncrude and six years after the formation of the Ontario Energy Corp. for the purposes that are clearly set out in Hansard.

40 p.m.

Mr. Stokes: You used the \$30 million to set it up.

Hon. Mr. Welch: No. The corporation preceded the Syncrude announcement.

Mr. Stokes: That is what you used to fund it.

Hon. Mr. Welch: That came along later. I invite you to read the debates. I recently read them. In fact, I spent the weekend on that.

Mr. Stokes: So did I.

Hon. Mr. Welch: It was a very profitable weekend reading all the old debates and seeing the positions taken by the various parties. We will have some opportunity to chat about that.

Mr. Foulds: That would have to be about a 30 per cent efficient meeting.

Hon. Mr. Welch: It was recognized then, as must become even more apparent from the events in recent days, that the Canadian private sector does not have the financial strength to do the job by itself. We have to continue to rely on the international oil companies for a major but proportionately smaller contribution.

Mr. Foulds: That is called a mixed economy.

Hon. Mr. Welch: It is a mixed enterprise. In fact, we have been known to use that expression.

Interjections

Hon. Mr. Welch: But it was also recognized that governments—the federal government through Petro-Canada and the Canada Development Corp.; Quebec through the Société québécoise d'initiatives pétrolières; Alberta through the Alberta Energy Company; and Ontario through the Ontario Energy Corp.—will have to do their share as well.

Mr. Sargent: You are name-dropping there.

Hon. Mr. Welch: I say to the member for Grey-Bruce, that governments as investors can make a contribution in two ways. First, they can take an interest in foreign-owned companies and increase the share of Canadian ownership. That will strengthen their position so they can take the risks in the new Canadian energy reality. We have done this with our Suncor investment. The other way is to invest directly in oil and gas exploration, by acquiring acreage or by investing in lands that are held by others. This is what we are doing through Trillium Exploration.

I would like to comment briefly on our investment in Suncor.

Mr. Sargent: Not unless you are going to tell the whole story. Let us talk about what we want to talk about in Suncor. It is a one-way street.

Hon. Mr. Welch: I shall let the member be the judge as to whether or not this is the complete story. There will be ample opportunity to have other points of view expressed.

Mr. Sargent: If you will answer the questions.

Hon. Mr. Welch: Suncor is well positioned as a resource company with very attractive holdings in the frontier, in western Canada and in the

oil sands. It also has extensive refining and marketing operations based, as the member for Elgin (Mr. McNeil) reminds us, both in Ontario and in Quebec. It is a company with the potential to play a much greater role in Canada's energy future. However, it does recognize that it can only do that with—and I underline this—greater Canadian ownership. Under the new rules of the energy game laid down by the government of Canada, this company can only move forward with strength and in confidence if Canadians participate more extensively in its future prospects.

As Canada's largest energy-consuming province, Ontario has an important role to play if Canadians are to have the kind of petroleum industry we need in order to help secure our energy future. Suncor has already shown it can move into the future with confidence, notwithstanding an economic climate which caused others to falter and to cancel their plans. Let me remind you that Petrosar Ltd. and the Montreal area refiners, along with Suncor, had previously announced refinery upgrading projects. The others have not gone ahead, but Suncor, with Ontario's participation, encouragement and support, is proceeding with the \$335 million expansion of its refinery in Sarnia.

Others, and let us name them—Shell, Gulf and the Alsands consortium—were committed, as recently as last winter, to go ahead with this massive project to wrestle oil from the tar sands. That might be a better verb, I say to the member for Lake Nipigon.

Mr. Foulds: You said this in the House last week and nobody bought it. It is as great a quagmire as wrestling inflation.

Hon. Mr. Welch: That whole consortium has not gone ahead, but Suncor is proceeding with the expansion of its oil sands operations in Fort McMurray.

Mr. Foulds: Creeping socialism.

Hon. Mr. Welch: We are into it.

Mr. Stokes: Like the Canadian National Railways?

Hon. Mr. Welch: I do not know that Jack Horner would particularly appreciate that last comment.

Mr. Stokes: Like Polar Gas and Petrocan?

Hon. Mr. Welch: He is a CPR man.

Interjection.

Hon. Mr. Welch: Be careful; my father did.

Mr. Stokes: And he worked for a crown corporation.

Hon. Mr. Welch: That is right, and he still got a great pension.

Mr. Sweeney: The son went one step farther and created one.

Hon. Mr. Welch: The record speaks for itself about this whole matter. Suncor has exhibited confidence in our future and we are pleased to be part of it. To have a greater confidence in their energy future, Canadians want a greater role in all aspects of the oil industry—in marketing and refining and in exploration and production. They want to know that their energy supply systems serve their interests. Governments can help to ensure this by playing a role in the marketplace as well as by playing a significant role in the oil fields and in the gas fields.

One reason that Canada's energy future is so exciting for all Canadians is the great potential of our frontier regions. We found oil and natural gas in the Beaufort Sea, in the Mackenzie delta in Canada and in the Arctic islands—they are Canadian.

Mr. Foulds: I thought you were still talking about Suncor.

Hon. Mr. Welch: Oh, no. Canada's energy future is exciting in the Arctic islands, on the Nova Scotian shelf, on the Grand Banks and off Labrador. The rewards to all Canadians from our future oil and gas wealth can be immense. But I remind myself and I remind you that Canadians are to share they must also be involved. Therefore, while it is important that we participate in the integrated operation of the petroleum industry through Suncor, it is also important to come back to that first part of our energy strategy, that is, to find more oil. That is why we created Trillium Exploration. Through other investments by the Ontario Energy Corp. we intend to stimulate development of Ontario's own oil and gas resources.

OEC, along with two private sector partners, has signed an exploration agreement with the federal government to explore for oil and gas in Hudson Bay. That agreement covers an area of 72 million acres and is the largest single exploratory parcel of land ever granted in Canada. Exploration began this summer. If oil and gas are found in Hudson Bay, we could open up new energy supply for Ontario and Canada.

Another vital form of energy for Ontario is natural gas. We are vitally interested in maintaining this energy option for the residents of the province. The Minister of Energy continues to urge that natural gas prices be as low as possible to Ontario consumers. At the same

time, we are working to keep future supplies as secure as possible. I hardly need to remind members of this committee that the ministry has intervened in four major National Energy Board hearings this year. As an example, Ontario challenged TransCanada Pipelines' proposed increases. The resulting decision by the National Energy Board cut the requested increase in half.

We believe it is very important to represent the interests of Ontario consumers at these hearings and this ministry will make similar arguments at the TransQuebec and Maritime pipeline tariff hearings which begin November 30.

Mr. Foulds: Those spontaneous remarks were a Glenn Thompson's speech.

5:50 p.m.

Hon. Mr. Welch: Actually, we share a common interest on that particular subject.

Mr. J. A. Reed: He writes them and you read them.

Hon. Mr. Welch: When I read newspaper accounts of his speech, I was amazed that he had discovered that particular emphasis as well.

Mr. J. A. Reed: I will bet you sent him a copy too.

Hon. Mr. Welch: Look who has arrived.

We have also presented our case at the National Energy Board on an omnibus hearing on several applications to export very large quantities of natural gas over the next 10 to 20 years. After applying the National Energy Board tests to protect the requirements of Canadian consumers, we believe that surplus gas supplies could be made available for additional exports. Such exports will provide a much needed stimulus to our economy, not just in western Canada but also in the Ontario and Quebec manufacturing sectors.

Mr. Kerrio: There is no such expression as surplus gas."

Hon. Mr. Welch: Just speaking, if I could for a moment, of the manufacturing sector, Ontario's petrochemical producers have brought to our attention—

Mr. Kerrio: You just put more pipes in the same hole.

Mr. Chairman: Order.

Hon. Mr. Welch: I am finding it difficult to keep my thoughts together as I hear these things.

Mr. Kerrio: I am sorry, I apologize, Mr. Minister. Carry on.

Mr. Stokes: I think it is worthy of note that the comments made by the member for Niagara Falls coincide with what Tommy Douglas said in 1971.

Mr. Kerrio: Perish the thought, but he was right.

Mr. Chairman: I think we are ready to proceed again. Go ahead.

Hon. Mr. Welch: Speaking of the manufacturing sector now—

Mr. Sargent: What about Suncor? Are you finished with that?

Hon. Mr. Welch: Yes. I may be coming back to that in summary.

Mr. Sargent: What are you going to do? You said you would talk about answers to some questions.

Hon. Mr. Welch: We will be coming back to that. There is a whole vote on Suncor, 2006, or something like that.

Mr. J. A. Reed: Nine more hours.

Mr. Sargent: No. We will have the vote at 11:55 on a Friday afternoon or something. That is when we will have the vote on Suncor.

Hon. Mr. Welch: This committee does not meet on Fridays.

Interjections.

Hon. Mr. Welch: Speaking of the manufacturing sector, let me say that Ontario's petrochemical producers have brought to our attention the considerable adverse economic impact of rising natural gas and oil prices on their industry. It happens to be our belief that this important Ontario industry, which uses crude oil and natural gas as feedstocks, must retain their feedstock price advantage in order to maintain a favourable competitive position.

That position has deteriorated as a result of much lower feedstock costs for their international competitors. For this reason, I would like to point out to the committee that we are discussing with the government of Canada the need for action on oil and gas pricing to keep Ontario's petrochemical industry healthy and viable. A federal task force is currently reviewing the situation and we await the outcome of its deliberations.

Ontario is building and will continue to build on its strengths.

Mr. J. A. Reed: The ad valorem tax.

Hon. Mr. Welch: It is a resource-rich province, as the members of this committee will understand. It is resource rich because we have

one of the most innovative and one of the most reliable electric power systems in the world. The government of Ontario is committed to making an already strong electrical power system even stronger. Through the Board of Industrial Leadership and Development, the government of Ontario is preparing Ontario for the transition to an economic system based increasingly on electrical power and nuclear technology.

Mr. Sargent: Did Bill Stevenson write that speech?

Hon. Mr. Welch: I am sure his English would be much better than what I am using here.

Mr. J. A. Reed: Sure it would.

Hon. Mr. Welch: Current BILD initiatives include the expansion of our nuclear generating capability, constructing and upgrading transmission lines and distribution facilities, encouraging more conversions to electricity for home heating, public transit, business and industry and planning more efficient use of electricity by encouraging off-peak use and maybe even thermal storage.

Mr. Stokes: Is that peak or peat?

Hon. Mr. Welch: Peak. I will be coming to peat. It is really difficult to contain oneself with all of the exciting opportunities in this field. I can appreciate that. There is no question about it.

During the year the ministry has expended considerable effort in participating in environmental assessment hearings for the major electrical transmission projects in southeastern and in eastern Ontario. We feel it is quite essential to emphasize the need and the urgency to bring these facilities on stream.

There was some reference a few moments ago to the whole question of exports, and perhaps a word about electricity exports might be in order at this point. The loss of the General Public Utilities sale showed that getting electricity export contracts is not going to be easy. Ontario Hydro is facing pretty stiff competition from the United States and from other Canadian utilities.

Mr. Sargent: On a point of order, Mr. Chairman: In regard to what you are talking about, the export to General Public Utilities, the vice-president of General Public Utilities said he thought Ontario Hydro were a bunch of donkeys to even consider that they would look at it. How many millions of dollars did you spend on that getting that together? Millions of dollars.

Mr. Chairman: With respect, I do not think that is a point of order.

Mr. Sargent: It sure as hell is a point of order. That shows how stupid they are.

Mr. Chairman: It might be a point of some thing, but it is not a point of order.

Mr. Sargent: I think it is a point of order.

Hon. Mr. Welch: However, we still remain committed to the seeking of expanded export sales and new export markets. As the Minister of Energy, I happen to be reviewing with other government ministries and Ontario Hydro an export strategy to ensure that all opportunities for such sales are being pursued.

As I indicated at the beginning of these very brief remarks, the pillars of our policies—and think it is important to bring ourselves back to pillars—and programs continue to be our belief in energy security through an increased development of Canadian energy resources, through conservation and through oil substitution.

Last year when I spoke before this committee, as those of you who were here will recall, discussed how Ontario's policies and programs are formulated to take advantage of the rapid evolution in the energy world. In fact, I reviewed those remarks over the weekend and found how relevant they are even now, as they were a year ago. We have been through some incredible experiences in the past decade, let me just remind you.

Mr. Stokes: That is the beginning of the end of a very long and illustrious career when you start reading your own speeches.

Hon. Mr. Welch: First we had shortages. Now we do not have shortages.

Mr. Sweeney: We have surpluses. We sure do not have a shortage.

Hon. Mr. Welch: When I was minister in 1979, we had a shortage. Today there are no shortages.

Mr. Sweeney: All you need is a lawnmower manufacturing plant and you will be okay.

Hon. Mr. Welch: For several years OPEC has us over a barrel, if you will pardon the phrase. Nowadays OPEC is not so certain.

Mr. Stokes: All you needed was a recession.

Hon. Mr. Welch: The Canadian conventional oil supply picture is also fraught with uncertainty. Last year the talk was about megaprojects with Alsands and Cold Lake, and what happened this year? They have to bail out Dome Petroleum.

Interjections.

Ion. Mr. Welch: I am coming to that in a few moments. Actually, I knew that would be of some interest.

Canadians are also faced with the prospect of greatly increased energy costs. I draw this to your attention because it is a very important consideration when you think in terms of the economic dimension of the the increase in energy costs we are going to experience in this province over the next five years simply as a result of the Canada-Alberta energy agreement.

Do you realize that Ontario's oil and natural gas bill will probably increase from \$9 billion this year to \$14.3 billion by 1986 in just five years? That is the result of the Canada-Alberta agreement. In light of all of this, it is important for Ontario to take the initiative in planning its energy future. I believe we have done this and that we have developed an energy strategy in this province that will help secure our energy future.

Having said that, if I thought there was a reasonable amount of time left—I think I have taken about a half an hour in some general remarks—if I was going to go on, I would go on to expand on the whole subject of energy conservation. I would share with you some of the ambitious targets that we have on the supply side. In any comments on that I would tell you that we have some very important energy targets, two of which we set in 1980, that by 1995, within a 15-year time frame, in this province we would supply at least 37.5 per cent of our primary energy needs from sources within the province, compared to 25 per cent in 1980, and that within that same 15-year time frame at least five per cent of our energy would be obtained from renewable and recoverable resources.

Those are the goals that concern supply. If you were going to make this a complete picture for purposes of our introductory background, you would have to talk about demand and how the demand by consumers would influence things or how that would be brought to bear. That would bring one into the whole area of conservation and of energy efficiency. One would go into many comments about energy conservation and substitution along these lines. 9 p.m.

We would talk about solar and we would touch a bit in this area about the largest active solar installation in Canada at the moment, Majors Hospital Services Ltd. of Hamilton which was opened officially on September 23. We would talk about energy from the sun now

heating more than half a million litres of laundry water every day in this province and we would talk about the work we are doing to help to maintain some credibility in the whole area of solar. We would talk about the success story that is related to our Heat Save clinics, the one-on-one relationship being developed by hundreds of residents in this province to assist them in a very practical way to find ways to save money through energy efficiency developments within their homes.

We would tell you that we have been working with the Housing and Urban Development Association of Canada with respect to passive solar. We would talk to you about the residential electric advisory program of Hydro and the municipal utilities. We would talk to you about the publications of our ministry. We have a number of publications which we think are helping the consumer make important choices with respect to off-oil options. In particular, we would share with you with some pride the pamphlet, *Weighing the Oil Drop Decision*, which has been circulated by the thousands throughout the province to help consumers come to some rational objective decisions with respect to their heating requirements.

On the demand side, we then would talk to you about some very interesting targets which we have established in so far as energy conservation is concerned, the programs that have been devoted to develop a certain level of awareness on the part of our people for the most immediate energy source that we have in this province both in abundance and in price, that is, the energy that we do not use, and the fact that we have taken advantage of a wide range of energy opportunities in this area.

Those of you who have studied these estimates carefully, and I am sure that would apply to each member of this committee, will note that nearly one third of the combined budgets of the ministry's conservation and renewable energy groups are spent by other ministries which are delivering energy programs, operating as they do under the banner of Energy Ontario.

We have some very exciting things going on. We have enlarged the scope of Ontario's already innovative approach to new energy technologies by working with the government of Canada under the Canada-Ontario conservation and renewable energy demonstration agreement. I am very pleased with the fine working relationship that exists between the government of Ontario and the government of Canada and I

want to pay tribute both to my own staff and to the staff of Energy, Mines and Resources, who work so closely together to make these things happen.

We have a very ambitious \$10-million industrial energy conservation and oil substitution incentive program which we work through the Ministry of Industry and Trade. The list could go on. In that program alone by the end of September, 925 companies in this province received approval for grants from the Ministry of Industry and Trade. There are some very interesting projects taking place in our search for alternative energy sources. That is a major challenge for us at the ministry, and I know the member from Halton-Burlington (Mr. J. A. Reed) is always interested in this.

I am delighted to report that the year 1981-82 marked a turning point in the ministry's renewable energy activities. Over several areas the ministry has moved from research and development into concentrating on some practical applications of new technology. The ministry's progress in turning waste into energy will continue on three fronts, municipal, forest and agricultural waste. I think that everyone will agree that has to be a very worthwhile endeavour indeed.

We have over 100 energy-from-waste projects in the works right now. To display these activities, to highlight their investment opportunities—let us not lose sight of that as far as jobs are concerned as well—and to explore some future directions, this ministry will host Energo '83, a major energy-from-waste and biomass conference, in Toronto in March of next year, the theme of that conference being Ontario's energy opportunities in biomass. There is a discount available to members of this committee if they register before the end of these estimates.

All of these activities are designed to help lessen our dependence on oil—I come back to that again—and to help Canada to become crude oil self-sufficient. We are exploring a number of new energy technologies. There is just no end to what has been going on over the last while.

You are probably aware of, and I could not possibly bring these remarks to an end without making reference to them, the several hundred hydraulic sites in Ontario. I would have been disappointed if my colleague from Halton-Burlington had not arrived in time to hear this. Most of these sites have existing dams now, used for flood control or recreation or other pur-

poses. During the past year we have been encouraging private developers and others to assess the many micro and small hydraulic sites across the province for installing hydroelectric generating facilities. Using these dams to generate electricity, of course, is very attractive from an economic point of view in some of our rural areas.

Mr. J. A. Reed: How you have changed since 1976 when your predecessor said it was infeasible.

Hon. Mr. Welch: But 1976 is not 1979.

Mr. J. A. Reed: It is remarkable; I just don't know how it came to pass.

Hon. Mr. Welch: It was on the road to a dam. We are pleased that a number of local community initiatives are surfacing. To encourage more, as my good friend Mr. Reed will remember, we sponsored a very successful workshop just last month. I was very pleased he was there and I understand from others he made a very significant contribution to the discussions.

Mr. Sweeney: He always does.

Mr. J. A. Reed: He charged incompetent government.

Hon. Mr. Welch: This is a democracy. People do not have to believe everything you say, but you have the right to say it.

At that workshop I had the privilege of announcing a program funded under the Canada-Ontario agreement to encourage the redevelopment of up to 10 hydro sites in the province.

Some interesting things are going to happen at Bruce, as the member for Grey-Bruce (Mr. Sargent) will know. The Bruce Energy Centre project will incorporate the idea of using steam as a source of energy for combined agricultural, commercial and industrial purposes, and I will be introducing legislation in the fall to amend the Power Corporation Act to allow Hydro to get involved with the Bruce Energy Centre project.

Just as I prepare to close these remarks, another exciting option that involves our electrical resources is hydrogen. You may recall that the hydrogen task force commissioned by the Ministry of Energy concluded that nuclear produced electricity holds pretty great promise.

Mr. J. A. Reed: That is four barrels for one.

Mr. Kerrio: Four parts in and one part out.

Hon. Mr. Wells:—and it could both enhance and extend our use of hydrocarbons and it could pave the way to a future when we can no longer depend on hydrocarbons.

9:10 p.m.

Mr. Kerrio: Hydro smiled at that one.

Hon. Mr. Welch: My only hope is that these interjections in jest will be recorded in the records of this committee because some 10 years from now I will be so delighted to get those letters from fair-minded members of this committee, the "Dear Bob" letters saying, "My, how right you were 10 years ago and how sorry we are and how embarrassed we are at some of the comments."

Your party has been pretty good at that as far as the energy field is concerned and we will have chance to talk in the next little while about where you have stood on energy matters over the years. It is a very remarkable record.

We talk about so many things. We talk about fusion. One could go on because the list is almost endless. Having said all of this, and so much more could have been said and far more examples could have been used, it is remarkable to note that we are a pretty small ministry. We could get practically the whole ministry into just this room. We are a very small ministry, but we now ours is a pretty big job.

For instance, our inquiry staff, the people who are down at 56 Wellesley slugging away, talk to about 2,000 people a month who phone or come in for some energy information. They are a very dedicated staff and I would like to use this occasion to pay them tribute for what they do and the work they do, notwithstanding all the problems I am sure they experience.

There is so much more that could be said. I know that others may want to make some general observations before we get into the line-by-line consideration of the estimates. I do apologize for perhaps not emphasizing as I could some other areas, but I do come back to the overall themes or the overall components of the energy strategy in Ontario which I am sure is reflected, to some extent, as far as the country is concerned.

Oil is our problem as far as energy is concerned, and so the first component of the policy is to find more oil. The second is to substitute other energy forms for oil. The third is to conserve our use of all energy forms, particularly petroleum products. When I discuss any new initiatives, when I discuss any programs in this ministry, as its minister I want to know what that program, what that strategy, what that emphasis, what that initiative will do for the accomplishment of one of the components of that strategy.

With those very brief comments, I do appre-

ciate the opportunity of having these estimates considered once again.

Mr. Chairman: We had some broad guidelines on time. Do you wish to confirm those with the committee? The chair is open to direction.

Mr. Sweeney: Will you accept a motion?

Mr. Chairman: I am not sure it requires a motion. There is staff involved, so perhaps if I outline it as I understand it—

Mr. Kerrio: Approximately 45 minutes to reply to the statement, then we get into the votes.

Mr. Chairman: Yes. I think if there is time tonight we could get into them and continue tomorrow. As I understand it, the staff of the Ontario Energy Corp. and the Ontario Energy Board will be available on Thursday, so we would get into that area and then next Tuesday deal with Ontario Hydro. Is that agreed?

Mr. Foulds: My understanding was we would spend the last half of Thursday on OEC and OEB.

Mr. Chairman: So you would like some flexibility.

Hon. Mr. Welch: I think it would be important to have the committee's wishes as to when you want OEB, OEC and Hydro staff here.

Mr. Chairman: We are agreed that we would want them here on Thursday night, with some flexibility on the part of the chair as to when we get to them.

Mr. Kerrio: Before I was so rudely interrupted, I was talking about the concerns I had regarding Ontario Hydro.

Mr. Minister: I put to you in a way that I think you will appreciate the sort of integrity I am hoping will come from your ministry in taking a more significant role in deciding if we are going to have a major change in Hydro policy and whether you, the Minister of Energy, should not be participating.

To a degree, I agree with removal of Ontario Hydro from the direct governance of the legislative body, but I do not think anyone, in his wildest imagination, would have considered that Ontario Hydro could have developed into a corporation that is such an entity unto itself. On occasions, such as right in this very room, the then minister, the Honourable Reuben Baetz, was reminded by the chairman of Ontario Hydro that while the chairman of the committee was given to believe by the Minister of Energy at the time that new doors would open, it was not his prerogative to make such a promise to the

members of the committee, let alone anyone else.

I put it to you again, Mr. Minister, that I am most concerned in reading in the introduction to Ontario Hydro's remarks that they are going to be expanding to the degree they are talking about in those areas; it is most frightening. I would hope that you would take it on yourself, not to direct Ontario Hydro but at least get it to put proposals and its position before you. There have certainly been many changes in policy.

I would like to read into the record the reversal of government policy in the sale of electrical power for export. This goes back to November 1976. It is a statement in the Legislature by the Minister of Energy, Mr. Timbrell: "The export of power is not one of the underlying principles or goals of the expansion of the Ontario Hydro system. It is not now; it has never been; it will never be. We do export power, but on an interruptible basis."

One could not be more explicit. I think that the then minister, Mr. Timbrell, was taking Ontario Hydro at its word and was considering that the ministry might still have had something to say about the direction of Ontario Hydro.

On April 17, 1978, a statement to the Legislature by the Minister of Energy, Mr. Baetz, affirmed: "Our policy not to build generating capacity solely for export markets has not changed." On February 22, 1979, a letter from the Minister of Energy, Mr. Auld, to the chairman of the select committee on Hydro affairs, stated: "The government's basic policy is to approve the export of electrical power by Ontario Hydro where the quantities proposed for export are surplus to Ontario and Canadian needs."

Mr. Foulds: Another step further.

9:20 p.m.

Mr. Kerrio: The cabinet was requesting Ontario Hydro to explore the possibility of marketing, on either an interruptible or a firm basis, the electric power which could be produced from this surplus generating capacity. On May 20, 1980, an address by George Ashe, the parliamentary assistant to the Minister of Energy, to the symposium on the Canadian fuel cycle, stated, "It might even be time to be taking a serious look at building additional nuclear capacity, specifically to export power at a profit to US markets."

Mr. Sweeney: No way.

Mr. Kerrio: At this juncture I must add a few remarks. Mr. Minister, I think you would agree

that we still do not know what nuclear power costs. I am afraid that when we set a price for export of power, we are doing a great disservice to the people of Ontario because I think we are selling that power at the mixed price. In fact we did not have to generate that extra capacity; we might well be supplying the bulk of the power in hydraulic or other means of power that would not necessarily get up into fossil fuel burning and the higher costs.

I really wonder if we are not trying to throw Ontario Hydro out of their terrible financial position by turning some of their electricity into dollars that do not truly reflect the cost because we still do not know what it is going to cost to decommission some of the nuclear plants and a very important item—what to do with nuclear waste.

Our leader of that time made a suggestion that if you built a nuclear plant to send the clean electricity to the United States, you could accompany that once a month with shipments of the nuclear waste and let them find a place to bury it down there in that beautiful United States.

In any event, that has happened and it has been changing over the years to the point where, on May 22, 1980, the reply by you, Mr. Minister, to a question by Stuart Smith regarding Mr. Ashe's statement, was: "I would perhaps underline at this time that those views do not necessarily reflect the government's position on that subject. There is no change. This government is not contemplating the construction of another nuclear generating station exclusively dedicated for export."

On November 10, 1980, there was another reply by you to a question in the Legislature on whether the government is committed to entering into long-term contracts to sell electricity to German Public Utilities in the US. You said: "That—meaning Ontario Hydro—"are acting at the moment under the general government policy of favouring exports, but certainly this proposal has not yet been submitted to my colleagues."

On November 24, 1981, a letter from Peter Andrewes, parliamentary assistant to the Minister of Energy, to Energy Probe, affirmed, "Viewing there is much concern for increased acid emissions, all alternatives must be weighed. It appears to be a new policy of dedicating the firm sale of electrical power for export."

On November 30, 1981, in a speech to the atomic industrial forum annual convention in San Francisco, you, Mr. Welch, stated to stimulate the nuclear industry, there is an

with the Canadian and American governments should consider, that is, the possibility of building nuclear generating plants in Canada to export power to the United States."

On June 8, 1982, in a speech to the Canadian Nuclear Association annual conference, Mr. F. J. Campbell, executive vice-president, operations, Ontario Hydro, said: "...and this idea, that Canadian utilities build nuclear units before their output is needed at home, with a view to exporting part of their production to the US, seems to be gaining favour with both federal and provincial governments."

Mr. Minister, you made some comments about our position changing from time to time. If our position changed every time your position changed, I just wonder how many positions changed on either side. I do not think your record has been that uniform, although the mandate is pretty clear. The mandate specifically given to Ontario Hydro was to produce power at the cheapest possible price to the people of Ontario.

That leads me into some of the excesses.

Mr. Sargent: May I put this on the record? I think he does what the bagmen tell him, that is exactly it.

Mr. Kerrio: Ontario Hydro seems to be plagued with excesses. They have excess oil and excess coal to their requirements. They either have, or will soon have, excess uranium, because of their long-term contracts. It finally seems to be admitted that they are also going to have excess heavy water.

I keep reiterating the point that Ontario Hydro should and must be answerable to someone. You stood in your place in the Legislature when the gas company was trying to get unconscionable increases and you threw the question back in my face as to whether I would get rid of the Ontario Energy Board. I said, "Yes, if they don't do their job, if they don't provide a justification that makes them worth while."

The OEB is caught in a dilemma with Ontario Hydro because it can't even examine all of Ontario Hydro's records to see whether the increases asked by Ontario Hydro are legitimate in any way. How can they when they have expressed such concerns as I will relate to you

The Ontario Energy Board was concerned about Ontario Hydro's cost overruns and recommended—

Mr. Welch: Mr. Chairman, the exchange of honourable member makes reference to

with respect to the OEB had nothing to do with Hydro. It had to do with natural gas pricing. I am not trying to minimize the importance of the comments he now makes about—

Mr. Kerrio: Which comment is that?

Hon. Mr. Welch: About the fact that I asked you if you would do away with the OEB. It was all in the context—

Mr. Kerrio: I said natural gas.

Hon. Mr. Welch: That's fine.

Mr. Kerrio: I said that when you said you would not make representation to the Ontario Energy Board.

Hon. Mr. Welch: Natural gas.

Mr. Kerrio: That's right. There was no misunderstanding. I was comparing the fact that if you wouldn't go there and have some effect on their decision-making as it related to those increases—

Hon. Mr. Welch: That would be very improper.

Mr. Kerrio: We now have a position here where Ontario Energy Board cannot, in fact, dictate to Ontario Hydro the same way we asked them to do to the gas company.

Hon. Mr. Welch: It can't. It hasn't got the legislative authority.

Mr. Kerrio: Exactly right. That's the comment I was making.

Mr. Sweeney: That's the problem.

Mr. Kerrio: The Ontario Energy Board was also concerned about Ontario Hydro's cost overruns and recommended that Hydro examine the adequacy and effectiveness of the control of capital costs and report at the next hearings. I have my doubts they will do that because they are not obliged to. I'm suggesting that once the committee of this Legislature—after the realities of March 19—no longer exists, there will be no one really looking into the overruns, the cost excesses and all of those things. I thought the select committee was doing a very creditable job.

The Darlington nuclear plant has increased in estimated cost from \$4 billion to \$10.2 billion and the ratepayer has been paying through net income for what will likely be excess capacity many years in advance of Darlington producing one kilowatt hour. Pickering B has gone from a release estimate of \$1.4 billion to a August 1982 estimate of \$3.8 billion. Bruce B has gone from an estimated \$3 billion to \$5 billion. Ontario Hydro expansion is out of control and completely unrelated to declining electrical demand.

Mr. Minister, you made some comment on hydrogen and I know you are big on hydrogen. There is a very good reason why those public relations people at Hydro would be big on hydrogen. When you have the excess generating capacity Ontario Hydro has, you would certainly look to a medium of exchange where you would use four parts of hydro to take the hydrogen off to get one part of that energy into a useful fuel.

In the United States they are experimenting with the separation of the H_2O with solar energy. They tell us it is the only feasible way to have a true, meaningful hydrogen project. We should not put four parts of electricity in to take one out. If we were electrifying some of our rails, especially the short runs, I would have to consider that that would be a meaningful way to use Ontario Hydro. We would be putting it directly into propulsion motors where there wouldn't be a great loss. Those people who are pushing hydrogen as a fuel medium are the very people who have made such an overproduction of Hydro appear to be in the best interests of the taxpayers of this province.

Mr. Minister, you know that all of these demands and projections are based on peak load. You know that considering the things that are on the books we are liable to have 50 per cent overproduction in Ontario Hydro by 1990. That is without the least bit of load management.

9:30 p.m.

I can't believe we would have gone into nuclear and thermal generation in Ontario before we developed every last vestige of hydro-electric power. Remember, hydro electric was where it all started; that's what it was all about. The good Lord put it up there, and after the initial investment, it just keeps going through there with very little cost. When one looks at some of the plants that are being taken out of service, not one of them is a hydraulic plant built after the late 1800s and early 1900s. The gas plants are being taken out, the oil plants are coming out and soon we are going to see some of our nuclear plants coming out. In fact, I just happened to run across it right here.

With respect to the capacity additions in megawatts, from 1986 to 1990 we're going to have 780 in hydraulic and none going out. There will be no nuclear and none going out. With gas, we're going to have 588 megawatts go out of service. From 1991 to 1995 we're going to have 1,262 megawatts added on hydraulic, 1,700 added in nuclear, and 691 will go out in coal. From 1996 to 2000 no hydraulic is going out. We

have had no hydraulic going out all the way down the line. We're going to add another 2,000 of nuclear, 22 nuclear will go out and 2,542 will go out in coal.

I would have to think that Hydro would have been well advised to carry on the mandate it was given to develop every last bit of hydro power in the province, then go to load management and then go to the alternatives. I don't believe we would be in the dilemma we are in now if the Minister of Energy were involved. If there were some mandates set up which would give some rules and direction for Ontario Hydro, I hardly blame Ontario Hydro. I hardly blame anybody for building a huge castle if they are given all the bricks, mortar and help that money can buy. That's really what has happened.

You have given them a mandate like no other mandate that exists. I would have to think that human nature being what it is, they would live on that mandate for no other reason except to build another government within this government. If they add some of the things they are now talking about, they are going into fields of endeavour that were never anticipated when Ontario Hydro was first envisioned.

I have a great deal more on figures relating to Ontario Hydro. We see great problems arising in the future, as we said before, with the surpluses of uranium under the contracts, the surpluses we have on the supply and demand of heavy water. We pointed that out in the select committee a good many months ago.

Mr. Minister, if I were to ask you to do something, it would be to have Hydro describe what they are headed in such a way that you, sir, can categorize them so they will perform the direction they were first mandated to do. You will then have other ministries or other areas which would look into the alternative forms. There is no possible way you are ever going to get the people at Hydro willing to look at an alternative source when they have such a vested interest in the direction they are going.

I believe Ontario Hydro needs to be directed into such a position that it will be responsible to you. The mandate would have to be changed. We were talking about a private sector company and there are many existing in the United States—the shareholders would be allowed to go to shareholders' meetings and have some say as to the direction of that company. It should follow that if the Ontario taxpayers own Ontario Hydro, they should be considered shareholders in the company. It is not the case. That is the way Hydro is structured. The chairman

Ontario Hydro answers to his board of directors. He does not answer to the people of Ontario and there is no way anyone has anything to say about that.

...would have to think that a Conservative government that dabbles into the socialistic aspects of anything would consider that proper if it was going to form a company that is owned by the taxpayers, that it would be the least it could do, especially if it were Conservative—I would expect Mr. Stokes' party to do all the way with a socialistic company; if they were in power, that would not bother me. I would suggest in that situation that the people must have wanted it or they would not do it.

Mr. Stokes: Like Petrocan.

Mr. Kerrio: Yes, sure. It is very hard to justify a conservative government doing it. In fact, they must be at odds with their leader down there in Ottawa. They often make remarks about our guy Pierre, and we have to take that. Now we throw it back at you. Your guy down there just does not want you dabbling in the private sector, and there you are right up in it to your hubcaps—25 per cent would get you up to your hubcaps. I am saying there should be a new responsibility by Ontario Hydro to the people who own the company. I think it would only be fair that somehow that mandate should be restructured to make that happen.

I would like to talk on a couple of other subjects. One of them has to do with subjects you have touched on. You made a comment, and interjected and I would like to put it on the record now. You said you agreed with the federal government in exporting surplus gas. I say here is no surplus gas. If you tap a gas pocket and you put a pipe in there of a diameter that will supply the people's needs, that gas will last you a given number of years.

If you put two pipes in that pocket and you want to suggest that the second pipe is surplus gas, I suggest to you that it is not. You are just tapping the resource in half the time. I, for one, have a deep enough and strong enough feeling about this Canada of ours that I would like to see natural gas turned into jobs and turned into products that we export. I cannot buy that business that we have surplus gas. Whether you propose it or the federal government proposes it, it is not surplus gas.

Mr. Mr. Welch: Are you opposed to gas exports?

Mr. Kerrio: Yes, very much so. I suggest that

all of the things in Ontario that would create jobs are right under our very noses.

Mr. Stokes: That is Kerrio's policy.

Mr. Kerrio: Yes. I think that is fair in a democratic process. We have iron ore in this country—and the northern people are talking about this and are concerned about jobs. We have the iron ore in Ontario. We have smelting facilities in Ontario that are the best in the world. It is one of the industries that can truly compete. The steel industry was one of the last industries that suffered in this sort of recession. It is one of the most competitive in the world. It could take on any one.

Mr. Foulds: The trouble is they do not use Ontario ore.

Mr. Stokes: The second largest producer of steel in Canada gets its ore from Michigan.

Mr. Kerrio: I am suggesting that we do have the facilities. We have the plate-rolling mills in Hamilton. We have one of the most modern pipe-rolling mills in all of the world in Welland, Ontario. They can produce one mile of 36-inch pipe a day. I am suggesting to you, Mr. Minister, that if we were doing the right thing, we would be piping more natural gas into Ontario to provide many more jobs. Instead of exporting it, we would turn that into direct home heating.

I cannot believe that you should take thermal or nuclear fuel and generate electricity, take that great loss that happens, and then sell, with Ontario Hydro being the prime mover, electrical heat. You made the remark. You moved outside the borders and talked about yourself being a Canadian, and I am doing it on that same basis. That is fair because I think we should be trading partners east and west more than north and south.

9:40 p.m.

I have mentioned this to the Premier (Mr. Davis). It is one of the things I think could be used to advantage for the people in the west who have the gas, whereas we in the east have the manufacturing base and the ability to build the pipelines that would carry the gas here.

So I really do disagree with exporting gas because I think they are doing it for the same reasons that you and Ontario Hydro must find a way to legitimize Hydro by getting them some dollars, some cash, for the expansion here that has gone way beyond any kind of reasonable commitment to the need.

You have talked about our involvement in Suncor, and I have been against that, and you have suggested there are benefits to us. Again, I

find it counter to your philosophy, your party's commitment to the private sector. When we consider these estimates, Ontario Hydro and Suncor are two of the major items I would like to address myself to.

It is essential in the consideration of the estimates of this ministry to discuss Ontario's acquisition of 25 per cent of Suncor. You have given your reasons, Mr. Minister, and I would like to relate our position on this matter. We believe it is a gross misuse of taxpayers' money. We believe that we have never seen the taxpayer forced to spend so much to get so little. Let me now go through the saga of this purchase.

On October 13, 1981, the Premier announced to the Legislature that the government had reached an agreement with Sun Oil Co. of Radnor, Pennsylvania, to purchase 25 per cent of Suncor Ltd. for \$650 million. I think the Treasurer (Mr. F.S. Miller) was very upset at the time, but that is not for me to say.

The Premier's announcement surprised everyone in the Legislature except for three cabinet ministers and his own advisers. The so-called compendium of information later provided to other members was grossly inadequate and lacked the necessary information to allow scrutiny of the deal by the opposition parties. In subsequent weeks it became apparent that even the government's rationale for the purchase was shaky. The methods of financing, the return on investment, the names of other investors, indeed the merits of the purchase itself, were objects of conflicting statements by the Premier, the Treasurer, the Minister of Energy and the chairman of Ontario Energy Corp.

In his press release of October 13, 1981, the Premier gave three energy-related reasons as to why Ontario made the investment in Suncor. Those included: (a) to assist the Canadianization of the petroleum industry; (b) to provide for security of supply; and (c) to provide a window on the oil industry. Let me deal with each of these matters.

First, the Premier said he wanted to show he supported the federal government's desire to Canadianize the oil and gas industry. However, one does not need to spend \$650 million plus over \$2 billion in interest charges to show support of this federal policy. Mr. Davis could have made a contribution by giving strong vocal support to the federal Canadianization program and the activities of Petro-Canada.

In fact, if I were to elaborate on that particular comment, where would the Canadian and the Ontarian be served if you owned an oil

company and the feds owned an oil company and you had two stations on every corner, or Suncor and one Petro-Canada? Where the people would buy their gas and for what reasons, do not know. I cannot believe we needed that kind of window when we already had many windows by the purchase of the federal government.

Hon. Mr. Welch: We do not own Suncor.

Mr. Kerrio: I am just suggesting that we do not have to; we never had to. I do not even disagree with you on getting along with exploration and doing what we have to do to get the private sector to get involved in exploration.

I will not quarrel with the need to find oil. I am only quarrelling with the fact that this does not seem to be the kind of policy—you know it is not supported by your federal colleagues. You often tell us you do not have to necessarily have the same policy, but at the same time if you diverge from a policy with our federal brethren you think that is a terrible thing.

I tell you that it is just a fact of life. This is our jurisdiction; we have a responsibility down here. I very often disagree with the Liberal government. In this instance it would appear that you have the same problem.

Hon. Mr. Welch: The government agrees with us on Suncor.

Mr. Kerrio: The federal Liberals, not you guys.

Hon. Mr. Welch: I do not attach any labels to governments. They are the government of Canada and the government of Canada suppose what we have done in Suncor.

Mr. Kerrio: Yes. Doesn't that make you wonder?

As to the question of security of supply, buying 25 per cent of an oil company does not provide security of supply. The fact of the matter is that no such energy security is either enhanced or diminished by the purchase of Suncor. Furthermore, not one extra drop of oil will come to Ontario, whether the citizens of Ontario own the company or not, because it is the federal government and the federal government alone that controls the distribution and allocation of oil in Canada.

Hon. Mr. Welch: Once it is found.

Mr. Kerrio: Yes, and I say that's a job for the private sector.

The Premier also stated the government wanted a window on the oil industry, and I say that this rationale is sheer nonsense. Already

the federal government has such a window in Petrocan, as I have already related, and information on the internal working of the oil industry is obtainable by means of a simple phone call to Ottawa.

Wanting a window on the oil industry does not mean you have to spend \$650 million, plus interest. That is ultra-expensive research when you get the information for nothing from Petro-Canada. The only real window we have today, as Maclean's Magazine has noted, is the sight of dividends flowing south to the United States.

The Premier also stated that 25 per cent of Suncor was a good investment. Let me examine this aspect in order to point out the fallaciousness of the Premier's comment. The government purchased Suncor at a time when it already had a budget deficit of \$1 billion. Consequently, it had to borrow the full \$650 million to finance the deal. By borrowing, the government has further worsened its debt position to the extent that in 10 years the purchase price, plus interest, for Suncor will cost Ontario taxpayers over \$2 billion.

The government argued that the deal would pay for itself since Suncor would declare a dividend on profits and Ontario would collect 25 per cent of these dividends. Suncor has never declared a dividend before. By declaring a dividend for the first time, Suncor will not be able to recycle profit dollars back into the company for reinvestment. Furthermore, since Sun Oil Co. still owns 75 per cent of Suncor, 75 per cent of all dividends will now flow south to the United States, thus worsening Canada's foreign economic imbalance.

We have learned a lot so far about the Suncor dividend policy and its profitability. First, the Ontario government and Suncor formally ratified the agreement on December 23, 1981, one day after Suncor declared a dividend of \$78 million. Second, it was reported on April 28, 1982, that Suncor's profits for the first quarter in 1982 fell to \$1.1 million from \$27.7 million for the similar period in 1981. In spite of the fact that this equates to the quarterly earnings of two cents a share, Suncor declared a quarterly dividend of 20 cents a share. In this way the equity of the company is being stripped to assist Ontario to pay off its purchase.

Another important aspect of the Suncor purchase is that the deal only begins to make sense if Suncor is 51 per cent Canadian owned and therefore eligible for the national energy program incentives. In January 1982 it was revealed that the final agreement excluded the

provision allowing Ontario to acquire a further 26 per cent of Suncor's shares should other investors not be found.

9:50 p.m.

The Premier, the Treasurer and the chairman of the Ontario Energy Corp. had told all Ontarians when the deal was announced that the final agreement would include this option. However, now the government faces the situation of having purchased a 25 per cent equity position in an oil company that may not in fact be eligible for NEP incentives.

As to the soundness of the investment, the financial experts confirmed our worst fears. Unless a major oil discovery of a Hibernia size is made by Suncor, the forecast dividend rate will not match the interest rate at which the government borrowed the \$650 million, thereby creating an additional tax burden for Ontarians. Indeed, the financial advisers said that the best Ontario can hope for, barring a major oil find, is to break even by the end of the century. Based on these comments, the Suncor purchase is not only not a wise investment, it is a blatant mismanagement of public funds.

Mr. Williams: That is what you said about Syncrude.

Mr. Kerrio: Did you buy 25 per cent of that with the kind of money this is going to cost at the interest rates that are in effect now and have the dividend go south of the border? None of those things happened there.

Furthermore, we have learned more about just how unwise the investment was. On May 4, 1982, a study commissioned by the Globe and Mail revealed that the Ontario government paid at least \$300 million and possibly as much as \$345 million too much for its 25 per cent interest in Suncor.

Hon. Mr. Welch: You cannot produce the name of one financial analyst who will support that.

Mr. Villeneuve: The paper says it and it is gossip.

Mr. Kerrio: Then the only thing we have to do is release all the pertinent documents that we have been asking for from the time the purchase was made.

The Globe and Mail analysis revealed that the government (a) placed too high a value on the company's future earnings; (b) did not reduce the share value to reflect the fact that something less than control of Suncor was being purchased; (c) may have underrated the extra risk involved in awaiting large-scale profits until

1994 and beyond; and (d) underestimated the impact of an extended world oil glut on the profitability of Suncor's oil sands operation.

We have also learned that an executive president of Petro-Canada, Mr. Joel Bell, believes that the government paid too much for the 25 per cent investment in Suncor. We have talked with Mr. Bell and his assertion is that the government's investment reflected Suncor's asset value and not the worth of a 25 per cent silent majority interest. The Globe and Mail study and the assertion by a Petro-Canada official highlight our concerns that the investment in Suncor was unwise and also untimely in the light of present economic conditions in this province.

Hon. Mr. Welch: Mr. Bell denied it by letter.

Mr. Kerrio: Just over a year has passed since the Suncor saga began, but the government is doing its best to shine a bright light on what is in reality a very diminishing star. For instance, on September 20, 1982, Ontario's energy guru, Malcolm Rowan, and the Ontario Energy Corp. had the audacity to issue a news release which stated: "Since last December, Suncor Inc., alone or in conjunction with the Ontario Energy Corp., has set in motion almost \$1 billion worth of investment projects. The OEC purchased 25 per cent of Suncor in December 1981."

The release discusses five projects and it clearly implies that your shameful investment in Suncor has somehow influenced Suncor's decision to go ahead with these projects. For the Minister of Energy and the president of the Ontario Energy Corp. even to attempt to take any credit for these investments is ridiculous.

Clearly, Suncor's investment announcement has resulted from, first, commitments to and evaluations of projects undertaken long before Ontario's investment in Suncor; second, the new oil reference price for tar sands oil granted to Suncor through the signing of the September 1, 1981, pricing accord between the Alberta and federal governments; and, three, tax and royalty adjustments granted to Suncor by the Alberta and federal governments.

Let me briefly highlight why the government and the Ontario Energy Corp. can take no credit for any of Suncor's recently announced investments. First is the Sarnia refinery expansion valued at \$335 million. No matter what the letter the minister may produce from Ross Hennigar, president of Suncor, dated August 1982, Suncor had already made certain commitments to the government of Canada in 1980 to reduce heavy oil production by upgrading the Sarnia refinery.

Hon. Mr. Welch: Montreal refineries and they all reneged.

Mr. Kerrio: Mr. Minister, we can only go by the record.

Hon. Mr. Welch: That is right.

Mr. Kerrio: And that is what the record shows. They were going to make these improvements regardless of your purchase or not.

Hon. Mr. Welch: Let the record show what the others did.

Mr. Kerrio: Suncor's form 10-K filing to the US Securities and Exchange Commission for the year ending December 31, 1980, outlines this commitment quite clearly on page 28 where it states:

"In light of the policy of the government of Canada for making optimum use of Canadian crude oil and on the basis of studies initiated by Suncor in the fall of 1979, Suncor made certain commitments to the government of Canada in 1980 to reduce heavy fuel oil production. In accordance with the commitments, Suncor's directors have approved, subject to definitive engineering and feasibility studies, a proposal to upgrade the refinery that would phase production of heavy fuel oil down to a level near to in-plant requirements at a preliminary estimated cost of \$200 million.

"If, after the definitive studies, the costs of the upgrading proposals are acceptable, funds are to be committed before September 30, 1981 and Suncor is to have implemented substantially the proposal by December 31, 1984, subject to abandonment or to a reasonable extension for events beyond Suncor's control. In the event the proposals were not to proceed, the government of Canada has indicated that changes in its established policy for the determination of export charges on heavy fuel oil produced by Suncor could be implemented, which would have an adverse effect on Suncor and Suncor would have to consider reducing overall refinery production because of the lack of market for heavy fuel oil."

This intention to upgrade the Sarnia refinery is further confirmed in the Suncor Inc. annual report for 1980 on page 25, which states: "New initiatives highlighted 1980. The most important was our decision to proceed with an upgrading of our Sarnia refinery, subject to further engineering and feasibility studies, at a preliminary estimated cost of \$200 million."

Furthermore, at a press conference on July 26, 1982 regarding the decision to proceed with the project to build a heavy oil upgrader at i

Sarnia refinery, Ross Hennigar, Suncor president, stated, "We would have proceeded with the upgrader even if the provincial government had not owned part of Suncor." It is evident from this documentation that Ontario's investment in Suncor had no bearing whatsoever in Suncor's decision regarding the Sarnia refinery.

The second investment involves \$185 million for the Fort McMurray overburden removal project, a project which will mine a segment of Suncor's oil sands property which is some distance from the plant. It is clear that the September 1, 1981, Alberta-Ottawa pricing accord giving Suncor's entire oil sands output, the new oil reference price—about \$45 a barrel—as opposed to the national energy program price announced on October 28 of \$16.75 per barrel, made it economic for Suncor to expand the area of tar sands mined.

Suncor's 1980 annual report notes the impact of the national energy policy on tar sands mining wherein it states, on page 6: "Under the national energy policy, Canada will lose at least 90 million barrels of high-grade synthetic crude oil...when the national energy policy was released, this additional production became uneconomical..."

10 p.m.

However, Suncor's 1981 annual report, on page 2, reflects the influence of the Alberta-Ottawa pricing accord: "Another project now awaiting tax decisions from government is the mining of an extended area at our oil sands plant to produce an additional 90 million barrels of synthetic crude considered uneconomic before the new price agreement."

Therefore, Suncor's decision to proceed with the overburden removal project was dependent on the price to be received for the product and not on Ontario's investment. Suncor also decided to proceed with its Fort McMurray plant integrity program valued at \$170 million. The Suncor oil sands plant, constructed between 1963 and 1967, needs upgrading. The plant has been plagued with equipment failures—for example in July 1980 safety and environmental problems, and a major fire on January 20, 1982, in the compressor building. Without the compressors, the oil sands plant cannot produce fully-processed synthetic crude.

According to Suncor officials, the plant integrity program was spawned by the fire. If Ontario and the Ontario Energy Corp. want to take credit for the fire that is the major cause for this investment, so be it. Furthermore, a July 27, 1982, Suncor release on the overburden removal

project and the plant integrity project states: "W. R. Loar, executive vice-president, resources group, said joint action by the federal and Alberta governments on tax and royalty adjustments had helped to make the addition to oil reserves possible."

The fourth recent investment decision by Suncor was to proceed with the \$88-million Fort Kent heavy oil project in which Suncor is a 50 per cent partner. However, work on this project predated Ontario's investment decision in Suncor.

For instance, Suncor's Security and Exchange Commission form 10-K filing for the year ending December 31, 1980, states, on page 17: "Ten delineation wells drilled in 1980 indicated oil in place sufficient to justify consideration of further development. Preliminary engineering designs for expansion have been completed."

In addition, an August 17, 1982, Suncor press release notes that a definitive proposal for an \$88-million expansion of the Fort Kent project was submitted for approval to the Alberta Energy Resources Conservation Board. Final go-ahead was contingent on the price to be received for the project's production, which was resolved with the September 1, 1981, pricing accord.

Therefore, once again the facts indicate that Ontario's investment in Suncor had no bearing on the go-ahead for this project.

Finally, we have the September 16, 1982, announcement of the formation of the Trillium Exploration Corp., which plans to have gross expenditures over five years of \$220 million. However, Trillium will get back 80 per cent of its eligible expenditures through the federal government's petroleum incentives program and, overall, taxpayers will be paying for 93 per cent of the exploration work done by Trillium.

Hon. Mr. Welch: But you said you supported Trillium.

Mr. Kerrio: Yes, as a private sector operation, a company that would be looking for oil as a private sector investor, not a government investor.

Interjection.

Mr. Foulds: You are saying private companies should be subsidized by the taxpayer in some places by 93 per cent.

Mr. Kerrio: No, you are saying that; I didn't.

Mr. Foulds: That is what the situation will be.

Mr. Kerrio: If the federal program is going to help people look for oil, it does not have to be the government, it could be the private sector. I

just happen to think a little different to the Socialists.

Mr. Stokes: That is socialism for the rich. We believe in socialism for everybody. You want it just for the rich.

Mr. Kerrio: I just happen to think that a proper mix would be to have most of the exploration work done by the private sector.

Finally, with the announcement of the Trillium Exploration Corp., we find that the taxpayers will be paying, as I said, for 93 per cent of the exploration work done by Trillium.

It is clear that the Ontario Energy Corp. and Suncor could have formed the Trillium Exploration Corp. without Ontario's 25 per cent purchase of Suncor. If OEC owned 75 per cent of the Trillium shares rather than 66.7 per cent, and if Suncor had no Canadian content, Trillium still could have received the productivity improvement program grant for exploration.

With Trillium spending \$9 million net annually for exploration, under the present Trillium shareholders' arrangement, OEC will contribute two thirds, or \$6 million. If OEC were a 75 per cent shareholder, OEC would contribute \$6.75 million in annual net expenditures. Therefore, with Ontario's \$650 million plus interest investment for 25 per cent of Suncor, Ontario will only get \$750,000 leverage for annual Trillium expenditures.

The other fact regarding this investment is that Suncor would still have explored its Labrador properties, even if Trillium had not been formed, but it would not have received maximum PIP grants, not being sufficiently Canadian-owned.

Therefore, from this overview of the five investment projects it is abundantly clear that Ontario's investment in Suncor has had no influence on decisions reached by Suncor to proceed with these projects. It is interesting to note that the minister and his Ontario oil sheik, Malcolm Rowan, are quick to claim some degree of credit for Suncor's investment announcements, yet never in the past have they associated themselves with Suncor's corporate irresponsibility relating to environmental or occupational health and safety matters which we brought before this Legislature.

For instance, on October 23, 1981, we informed the minister that Suncor's Fort McMurray plant is the largest single sulphur dioxide polluter in Alberta and number nine of the top 10 in Canada. The minister responded, "I have to confess that I did not have that information."

I could go on citing the minister's lack of

knowledge on other matters relating to Suncor when on the one hand he claims credit for investment decisions on which in reality he has no influence, and on the other hand he feigns lack of knowledge or concern on other serious matters relating to Suncor's corporate citizenship.

It is interesting to note that for the fiscal year 1981-82 the Ministry of Energy's estimated expenditures were \$43.8 million, while for the fiscal year, 1982-83, the estimated expenditure are \$128.8 million. This amounts to an increase of 194 per cent in a government where the Premier has asked the ministers to "identify areas where further restraint will be possible without affecting the level of service to the public."

It appears strange that the Ministry of Energy's budget should increase by 194 per cent. However, it is easy to explain it after all. There is a \$62.24-million disbursement to the Ontario Energy Corp., of which \$61.3 million will flow through the minister's "window on the oil industry" to the Sun Oil Co. of Radnor, Pennsylvania as part of this year's contribution to that company for a little of the principal and a lot of the interest on the \$325-million note held by Sun.

This disbursement alone represents 48.3 per cent of this year's estimated budget, which, by the way, does not include any money for Trillium. Furthermore, the disbursement is equal to 42 per cent more than the ministry's estimated budget for fiscal 1981-82. So much for restraint. These figures document the misguided priorities which this government has. Now \$6 million may be just a drop in the bucket when compared to total expenditures of \$22.8 billion in the provincial budget, but let us compare it to other commitments being made by this government in its pursuit of energy self-sufficiency.

10:10 p.m.

As we see it, the best way to achieve energy self-sufficiency is to promote alternative fuels in the transportation sector, where 47 per cent of our oil is presently utilized.

No doubt, this misguided sense of priorities must continue, because in order to help the government pay for its Suncor investment, it has to promote gasoline consumption and specifically gasoline purchases from Sunoco service stations around the province. Since this does not enhance Ontario's energy security for the future, we have investigated investment alternatives that would assist in our energy security.

Had the \$650 million been invested in fuel alcohol plants, since 1,000-metric-ton-per-day

plants could have been constructed, with the capacity to produce 430 million gallons of fuel alcohol per year, by 1990 these plants could have replaced 15 per cent of Ontario's gasoline requirements. In addition, such a project would have created nearly 7,000 direct and continuous jobs, as well as more than 1,000 jobs during the construction of these plants. Such a venture would have secured these fuel supplies for Ontario, would have kept the capital in Ontario, would have created badly needed jobs, and would have helped to revitalize our provincial economy.

Back in 1978, our party commissioned and completed a study on fuel alcohol utilizing only wood wastes which are available in this province. That study indicated that there was enough wood waste in this province to supply all of the transportation requirements for liquid fuels in 1990 at a cost competitive with that of gasoline.

With this report, we have shown that the potential for the development of alternative liquid fuels is there. However, investment goes begging in this province while we elect to spend \$650 million and ship it to Radnor, Pennsylvania, when we should be spending it right here in the province for our own energy development, and in a manner that would allow Ontario to contribute to Canadian energy self-sufficiency.

A year after the sad Suncor scenario burst on the public scene it remains a testimonial of misguided priorities, of mismanagement of public funds by this government. Furthermore, opposition members, members of your own caucus and the citizens of this province are denied the answers to questions which have been nagging them for over a year.

There are questions to which we demand answers before these estimates are completed. I have a list here, but in keeping with our agreement of speaking for 45 minutes, I could put the questions on and leave it at that. They are as follows:

1. For what conceivable reason was it necessary for Ontario to acquire a 25 per cent interest in Suncor Inc.?
2. What other companies were interested in acquiring a share of Suncor Inc., and for what reasons did they decide against the investment?
3. Did the McLeod, Young, Weir, and Price Waterhouse reports recommend paying \$650 million for Suncor, or did they just state that Ontario would have to pay about \$650 million for a 25 per cent interest in the company?
4. Did we pay too much?
5. Did we pay a block premium over the stock

value of 15 to 25 per cent, as suggested by Mr. Eric Schwitzer of McLeod, Young, Weir, and if so why, when Ontario was not gaining control?

6. Does the government's investment reflect the asset value of the company, or the worth of a 25 per cent silent majority interest?

7. Why are we unable to this day to see the financial consultants' valuations of the company's future earnings?

8. Were McLeod, Young, Weir or Price Waterhouse ever asked if the purchase of 25 per cent of Suncor was a wise investment? If not, why not? If yes, what was their opinion?

9. Who first initiated a pledge of secrecy? Did Sun Oil Co. insist on a pledge of secrecy that led to the signing of a confidentiality agreement? Why, on a project of this magnitude, involving so much public money would the government even consider a blanket confidentiality agreement?

10. What is the interest rate which the Treasury will be paying for funds borrowed from the Canadian Pension Plan and the teachers superannuation fund for half of the Suncor purchase?

11. With all of the financing arrangements in place, what is the total amount of money, gross as compared to net, if there are dividends of any size, Ontario will pay for its 25 per cent interest in Suncor?

12. When did the Sun Co. decide to issue itself a dividend of \$78 million the day before Ontario became a 25 per cent shareholder of Suncor? Since this decision was part of the deal, why were we never informed of this dividend decision?

13. On what evidence does the government base its belief that Suncor will provide a 15 per cent return on its investment?

14. The government stated the process of selecting a company in which to invest was the scrutiny of 25 to 30 foreign-owned oil companies. Why did the government select Suncor over any of these other companies?

15. Why is it that an agreement, signed June 1, 1981, permitted the Premier to share confidential information about Suncor with the federal and Alberta governments, yet we are denied this exact information?

16. On October 13, 1981, a background paper on the Suncor deal said, 'Ontario has the opportunity to acquire an additional 13 per cent at the end of 1984 and up to another 13 per cent two years later unless Sun Co. Inc. had found other acceptable Canadian buyers,' yet the final agreement merely requires Sun Co. Inc. to enter into good faith negotiations for possible sale of more shares. Why does the final agreement

offer no guarantee to Ontario to acquire this stock?

17. What options did you examine with respect to investing the \$650 million in Ontario? For instance, did you look at the impact of investing a similar sum of money in fuel alcohol or peat or lignite or many other alternatives?

18. What analysis did you do with respect to spinoff benefits in terms of job creation in Ontario, both of the Suncor purchase and of the alternative investments in Ontario?

19. Why, during a period of restraint, is Ontario committing more taxpayers' money to Suncor through the Trillium Exploration Corp., especially since the estimates book itself considers such an investment to be speculative, having a high risk, as well as giving an uncertain return on the investment?"

Mr. Minister, those comments are certainly at odds with some of the comments you have made to justify the purchase of Suncor and which you expect the taxpayers, whom I suppose you might call the investors in Suncor, to accept. I hope that people in your ministry might take the time to respond to some of those questions we have put forward. They were very high on our list of priorities of questions to be answered in the Legislature. This just gives us a little better opportunity to put them in some order and, I hope, have you respond to them.

I have one more item, Mr. Chairman, that I'd like to put on the record. It has to do with the ad valorem tax grab. In the May 1981 budget the government introduced a new method of taxation for gasoline. The tax rates were changed from a fixed volume or per litre basis to an ad valorem percentage basis to be estimated at 20 per cent of the retail price, adjusted four times a year.

Thus as the price of gasoline increases, so does the amount taken by the Ontario Treasury. It has imposed built-in increases which will take effect automatically with every rise in price. Because the ad valorem tax is the last tax to be imposed, it taxes other taxes, including federal excise and sales taxes.

10:20 p.m.

By this action, the government has given up on the fight against inflation. Instead, it is profiteering from it, and with the escalating tax—take on gasoline—has joined the forces driving up inflation. In short, the government now has a vested interest in oil price increases. Every time the price of gasoline goes up, the growth in the amount of revenue taken by the Ontario government through its ad valorem tax

is compounded. Indeed, Ontario takes more tax at the pump than Alberta receives.

As recently as October 1, the government raised its tax at the pumps by two cents per gallon. Provincial gasoline taxes have jumped by more than 50 per cent in less than two years since the government brought in the system of adding taxes on to taxes. The Ontario government is now collecting 7.2 cents on every litre of regular gas sold in the province or 33 cents per gallon. Two years ago it was collecting 4.6 cents per litre.

To make matters worse, this tax increase is based on inflated figures in view of the fact that gas prices are now falling. The government assessed the price on 43.2 cents per litre for regular gasoline. Prices, however, have fallen to as low as 35 cents per litre in many parts of the province and the tax is actually as high as 23 per cent. This unwarranted tax grab will give the government a windfall profit of \$172 million this year.

As a silent, automatically escalating tax, the ad valorem both undermines the democratic principle of accountability and exacerbates the inflation crisis. It is manifestly unjust at a time when people are being battered by inflation, high interest rates, food costs, etc.

If the government was honest, just as signs are now displayed throughout Ontario advertising the government's funding role in road building and transit programs, a little sign should be hung on every gas pump in the province saying, "20 per cent of the price of this litre of gasoline is brought to you by the province of Ontario."

Mr. Stokes: The former member for Lakeshore Mr. Lawlor, would call that subterfuge.

Mr. Kerrio: That's right. We have attempted at the opening of these estimates to get into more major involvement in justifying your willingness to let Hydro continue the direction of that corporation on its own. We have been at odds with you regarding the purchase of Suncor. We certainly disagree with the ad valorem method of taxing gasoline. We hope you will look further into some of these matters.

I do think, particularly on this new thrust of Ontario Hydro, that you as a minister with some stature in that party over there, having had many important portfolios, might influence the cabinet and other members to make Ontario Hydro more answerable to the people it serves. It should not be so far removed so that no one not even the Ontario Energy Board, which you have great faith in, while it can control price raises in other areas, can do anything as

lates to Hydro increases. It only really proves our point.

With those comments, I would leave some of the other individual questions to be raised under the various votes.

Mr. Chairman: Thank you, Mr. Kerrio. Mr. Foulds, I saved you three and a half minutes here.

Mr. Foulds: The opening, spontaneous remarks have to make have such a creative, dynamic, intrinsic fullness about them I would rather start them tomorrow at 10 a.m., so I will adjourn the committee.

Hon. Mr. Welch: May I point out that the communication section of the ministry has put together some interesting film clips of energy-related matters and programs. If any members

of the committee would like to come a bit early tomorrow or Thursday night, we would be glad to show them. We don't want to take up committee time. There will be somebody here from the ministry at 9:30 tomorrow morning to show some film clips and at 7:30 Thursday night before we get started formally. We would be very glad to show you those film clips.

Mr. Kerrio: When would you like to do it? Do we have an agreement? Tomorrow morning at 9:30?

Hon. Mr. Welch: It is not charged to the committee time.

Mr. Chairman: We will adjourn until 10 o'clock tomorrow morning.

The committee adjourned at 10:26 p.m.

CONTENTS

Tuesday, October 19, 1982

Opening statements: Mr. Welch.....	R-471
Mr. Kerrio.....	R-479
Adjournment.....	R-491

SPEAKERS IN THIS ISSUE

Adrewes, P. W. (Lincoln PC)
 Ph, S. A. (St. George PC)
 Foulds, J. F. (Port Arthur NDP)
 Erris, M. D.; Chairman (Nipissing PC)
 Kerrio, V. G. (Niagara Falls L)
 McNeil, R. K. (Elgin PC)
 Fed, J. A. (Halton-Burlington L)
 Sgent, E. C. (Grey-Bruce L)
 Skes, J. E. (Lake Nipigon NDP)
 Seeney, J. (Kitchener-Wilmot L)
 Meneuve, O. F. (Stormont, Dundas and Glengarry PC)
 Welch, Hon. R. S.; Minister of Energy (Brock PC)
 Williams, J. (Oriole PC)



Ontario. LEGISLATIVE ASSEMBLY

No. R-19

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Resources Development
Estimates, Ministry of Energy



Second Session, Thirty-Second Parliament
Wednesday, October 20, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Information Services Branch, Ministry of Government Services, 5th Floor, 880 Bay Street, Toronto, M7A 1N8. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.



LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, October 20, 1982

The committee met at 10:05 a.m. in the board room, north wing.

ESTIMATES, MINISTRY OF ENERGY (continued)

Mr. Chairman: Good morning, gentlemen, let us carry on with the estimates of the Ministry of Energy. I guess we are a little short of committee rooms today. We thank the New Democratic Party for the use of their caucus room this morning. You should be right at home here, Mr. Foulds.

Mr. Foulds: Thank you very much, Mr. Chairman. The last time I met with the minister in this particular room was a year or so ago.

Hon. Mr. Welch: I sat back there.

Mr. Foulds: In your rightful place. We were discussing some of the arrangements over the nationalization of a quarter of an American oil company, as I recall.

Mr. Kerrio: That is not what is happening in Saskatchewan these days.

Mr. Foulds: In my lead-off to the minister's estimates, I would like to take the first hour this morning to talk about a number of topics. The first one I would like to mention, because it has almost become a cliché, is conservation. Conservation is an idea whose time has finally come. When we have a minister as astute as this one actually endorsing the concept and adopting some of the ideas the NDP put forward in the last provincial election, albeit on a small scale, then we know that conservation is in the mainstream of energy thinking these days.

Hon. Mr. Welch: It is really a nonpartisan issue.

Mr. Foulds: It is almost a motherhood issue. Even the energy conservation ads on TV have shifted in their emphasis as I watch them. I do not think I have been subjected to the "Preserve it, conserve it" ad for at least a year. The ads now actually seem to have something to do with conservation, outlining how people can improve that in their residential homes.

Mind you, it is mid-term, it is not a bicentennial year, 1984, the year just prior to an election. The idea that conservation has become

one of the major thrusts of all parties and all governments in the energy field today makes a lot of sense. All of the estimates, all of the information we have, indicate that the cost of conservation in the production of energy through conservation is about one third the equivalent of the cost of a barrel of oil.

To illustrate that, if only one third of the almost \$11 billion that it is going to cost us for the Darlington nuclear generating station were spent on home insulation, more energy for heating would be saved than Darlington would produce in its lifetime. I think that is a fairly startling and fairly bald statistic. If a vigorous program of conservation was implemented, Ontario consumers could save up to \$10 billion on their fuel bills over the next 10 years instead of spending \$10 billion or \$11 billion or whatever the escalated price on Darlington is going to be.

Conservation has a lot of advantages over the megaproject philosophy that the minister mentioned in his opening remarks. Most of all, it produces jobs in these times of economic depression. I think one of the things we must constantly keep in mind is that conservation as a method of production of energy is job-intensive rather than capital-intensive.

It can do that in three ways. One is the direct employment in retrofitting for houses, apartments and commercial establishments. Two, it can create jobs by the expansion of demand for conservation products such as insulation, set-back thermostats, weatherstripping, thermal windows, etc. Three, if we had a government with some economic vision in the province and in the country, it could create jobs in the manufacture of goods for the replacement of imports when it comes to conservation-made products, with an emphasis on buy Canadian. Estimates for conservation are increasing and the budget for conservation measures in the country is increasing. They still, unfortunately, are dwarfed by the expenditures on the more expensive forms of energy, for example, electricity produced by nuclear stations.

Lastly, I think I must mention that there is and remains a standing government failure when the provincial government has rejected the federal

energy-efficient building code standards. It still has to introduce standards for most commercial buildings in Ontario and it has to revise what I perceive to be the present inadequate standards for new houses.

Energy as a subject in our society is problem-ridden—not merely in itself and not merely in trying to sort out the questions of production and consumption of oil, gas and electricity. Especially since the 1970s, energy decisions have involved two very important economic and social factors that are little recognized by the public generally.

Most of our energy development has involved the so-called megaprojects. This means that energy development competes for scarce capital. Energy megaprojects also conscript huge amounts of human endeavour and expertise which could very well be put to better and other use. The problem at the present time is that most energy decisions are made in isolation. Take, for example, the decision in the late 1960s and early 1970s of Ontario Hydro to push forward with nuclear power. It was not taken in the context of social and political questions.

Decisions such as that are made unrelated to other energy questions or options, let alone are they related to either social or economic or even, heaven help us, political questions. For example, the goal of energy self-sufficiency is an important one, but it has become such an obsession that we forget the side effects and consequences of that obsession. The current headlong rush to realize energy self-sufficiency is not without consequence. The goal of energy self-sufficiency has, unfortunately, been used to rationalize a number of energy choices that perhaps on a more recent assessment could and should be called into question.

The minister last night talked about the Alsands project. Let us take a look at that briefly as an example of a megaproject. The same could be said of any large installation; one could say the same things about Darlington. The Alsands project was a \$15-billion project that would have produced 150,000 barrels of oil a day and, once constructed, would have employed about 4,800 permanent workers.

The players around the poker table at Alsands were in a fierce dispute over the ante and the winnings. No one dared suggest at the time, until it fell through and all the crying took place, that perhaps we should not be in that poker game at all. Perhaps we should have been playing bridge instead. The planning framework around Alsands seemed to go like this. Canada is committed to

self-sufficiency. That is well and good, although with the present glut of oil along with the current downturn in international oil prices, even that could be modified. Canada needs oil, true, but the conclusion was that Canada therefore needed Alsands.

What was not really considered in that particular megaproject was that there could very well have been other energy options that on a cost-benefit basis could do more for Canada than Alsands in energy terms, in employment terms and in social and economic terms. That is why Alsands was just an illustration that the making of decisions about energy development and the planning about energy development are the most pressing and problem-ridden issues facing the country today. If certain energy options are opened or taken up, then other options are necessarily closed, and not necessarily merely energy options.

Very simply put, if we invest a lot of capital developing energy megaprojects, we do not have that capital available to develop hospitals, roads, universities or houses. There has been an estimate that between now and the end of the century, Canada could spend \$1.4 trillion, exclusive of interest, on energy development. I do not know if anybody in this room could imagine that; frankly, I cannot. That is \$1,400 billion on energy development alone.

10:20 a.m.

In a newsletter last spring, the Royal Bank gave some indication of the implications of that. It said, "In order to make room for energy investments, it requires corresponding cutbacks in other areas such as housing and social services." That puts it pretty bluntly. I think we have to make some decisions as a society and we cannot consider energy in isolation. We have to consider some fundamental questions when we discuss this ministry. Do we want to allow some people to live below the poverty line so the rest of us can be warm and continue to waste energy? Will any energy program by itself allow us all to be warm? How can that be if it deprives us of capital for homes and decent pensions?

Under the scenario laid out by the Royal Bank, economic activity in non-energy sectors is likely to be squeezed as capital is gobbled up for energy projects. Not only will there be cutbacks in public spending in important areas such as social assistance and housing, but crucial manufacturing industries could be starved for capital as well.

It is unfortunate that Canada's commitment to energy self-sufficiency has turned into a love

affair with megaprojects, and that continues to be a problem in Ontario. It has become over-reliant on capital intensive centralized energy projects. I am not suggesting that there is no place at all in Canada for the energy megaproject, but I am arguing that energy development in a humane and rational world must proceed in a manner that does not limit options but in a manner that increases options, both social and economic.

That leads me to a discussion of electricity in Ontario involving Ontario Hydro and nuclear energy. In Ontario we have notably fallen into the trap of trying to make electricity a cure-all for all of our energy needs. Frankly, that is ridiculous, when at the present time electrical energy only comprises about 31 per cent of our total energy consumption; nor can electricity realistically or sensibly be made to cover 100 per cent of our needs. Not only that, but Ontario Hydro has almost reached the point of equating nuclear power with electrical power, and that is a mass confusion if there ever was one.

Let us, for example, take space heating. More than half of the secondary energy used in Canada is consumed in the form of heat, the bulk of it at temperatures below 100 degrees Celsius. No one would dare suggest that we use propane gas on a massive scale for residential and commercial lighting, but it is somehow strangely and increasingly acceptable for Ontario Hydro to mount a massive campaign to convince Ontario to heat homes by electricity.

We should keep in mind that when electricity is used to produce space heat more than 97 per cent of the thermodynamic value of the original energy is wasted. Does it really make sense to invest billions of dollars of capital? Does it really make sense to use a high-grade energy source such as electricity? Does it really make sense to use a large-scale technology, like a huge power dam or nuclear power plant, and does it really make sense to transport that energy hundreds of miles to make it do what it does very poorly, namely, heat houses? I am afraid I do not think so.

Electricity has very important and appropriate uses, such as for lighting, the moving of machinery and telecommunications and in the future for the electrification of some corridors of our rail lines. Surely it is the wrong source at the wrong scale at the wrong quality and at the wrong cost to keep a room at a comfortable temperature of between 20 and 21 degrees Celsius.

I believe that diversification and decentral-

ization, not Darlington, is the road that Ontario should follow when it comes to energy development, and I believe that we must have an immediate moratorium on Darlington for the following reasons: That kind of power, electrical power, at the present time and in the foreseeable future is simply not needed. Excess capacity exists in the present and the foreseeable future.

When we talk about Darlington, most people forget that as well as Darlington we have by my count four other nuclear stations, Pickering B and Bruce B, Thunder Bay and Atikokan thermal plants, coming on stream before Darlington. That will give us an additional capacity of 8,943 megawatts of power. We already have an overcapacity in the electrical system that is well known. We have not only the cushion that is needed to meet the peak demand, we have far in excess of that. The reserve requirement, according to Ontario Hydro, is 25 per cent. Actual reserve capacity, according to the 1981 review of the committed expansion program, is 50 per cent, and it will remain at the 45 per cent level into the 1990s.

Furthermore, Hydro has already mothballed five units at the Hearn generating station and two units at the Lennox generating station and has cancelled the Wesleyville generating station, the last named after an expenditure of some \$300 million. In short, the 3,524 megawatts to be provided by Darlington is simply not needed until well into the 21st century, if at all.

Hydro persists in forecasting average annual load growth of three per cent over the period 1980 to 2000. That is on page 24 of its annual report. However, recent actual annual growth rates are half those predicted. As well as that, as the nuclear stations come on stream, as they are kicked into the system, the rates are going to be bumped up quite considerably. We saw a little picture of that when Hydro made its presentation before the Ontario Energy Board and the story floated around that the increase over the next three years would be 54.3 per cent.

That just gave us a little window on what the electrical consumer could expect. Given Hydro's policy of not charging customers the capital costs of its building programs until the facility actually produces power, the coming into production of Pickering B—one unit in 1983, two in 1984 and one in 1985—and Bruce B—two units in 1984, one unit in 1986 and one in 1987—will inevitably mean escalating costs for the captive consumer in the next few years, particularly 1984 and 1985.

Let us take Darlington specifically. It is kind of interesting that the cost of Darlington since its inception has escalated at almost exactly the same rate that the Alberta Heritage Savings Trust Fund has escalated and has in it exactly the same capital component. When Darlington was first projected, the cost was \$4.6 billion. About that time, that is how much they had in the Alberta heritage fund. The current projected cost for Darlington is somewhere between \$10.2 billion and \$11 billion.

Mr. Laughren: You obviously do not understand government restraint programs.

Mr. Foulds: That is true. I obviously do not understand government restraint. Interestingly enough, the Alberta heritage fund, before the current election campaign in Alberta, was around \$11 billion. We in Ontario like to complain a lot about the good fortune of Albertans, but we are planning to spend, through Ontario Hydro, on one nuclear station that we do not need the amount of money there is in the Alberta heritage fund. If this province had not frittered away its resources and had established a heritage fund some 60 years ago, we would not be faced with the tough economic situation with which we are faced in the province today and we would have some reasonable diversification of the economy in the regions of the province such as Sudbury that are facing massive unemployment.

10:30 a.m.

Mr. Laughren: We cannot even debate those issues, thanks to Bob Welch and his cronies.

Mr. Foulds: As we all know, the Ontario Energy Board recommended, before the introduction of the wage restraint and price guideline program, that the proposed increase for 1983 be limited to 8.8 per cent. If, as the Ontario Energy Board suggested, Ontario Hydro limits the proposed increase by borrowing money, customers will still eventually have to pay for the interest charges, and they will still have to pay sooner or later for the soaring costs of the new nuclear facilities at a time when many wages are being restrained by public legislation.

Another way of estimating or dramatizing the cost of Darlington, by very rough and simple mathematics, is that Darlington will cost every man, woman and child in Ontario \$1,125 for electricity that we do not need. That is not restraint. My colleague the member for Nickel Belt (Mr. Laughren) says it is, but he has a sense of irony that the Tory members on this committee would not understand. I believe Darlington illustrates the fallacy in the megaproject approach

to energy in the same way that I used Alsands as an illustration.

The scale of megaprojects lends to an enormous drain of capital and human resources. They compete for resources with other socially necessary programs. They compete for resources with other economically necessary programs. On a cost-benefit basis, most of those resources could be used for energy conservation or alternative and renewable energy resources. The capital-intensive nature of nuclear power generation means a high cost job and it means a high cost per job.

The only defence I have seen in political terms of Darlington in recent years is the job defence. That is a fairly good and effective one politically. The unnecessary Darlington project would involve 16,000 person-years of employment in construction and approximately 2,500 person-years of employment in machinery and equipment manufacturing for a total of 18,500. At a projected cost of only \$9.1 billion, which is the figure we were using 18 months ago, that works out to half a million dollars a job. Half a million dollars a job is a very expensive way to produce jobs if employment is the government's best defence for a project. Frankly, that is the most expensive way of job creation I have heard of in a long time.

Mr. Riddell: And of short-term employment.

Mr. Foulds: Well, there are some relatively minor permanent jobs involved.

Hydro has got into this obsessive commitment to nuclear power because it has an obsessive commitment to overexpansion and because it has failed to read the growth factors correctly, continuing to insist they will grow around three per cent per year. As a result of their poor forecasting and their overzealous construction program, we have an unprecedented surplus of electricity in the province. Because the demand for electricity has been dropping in Ontario, the government has been peddling the excess wares in the United States. In a search for export markets, Ontario Hydro is competing with Hydro Quebec for the same customers.

I noticed yesterday this funny little story about getting together as a kind of mid-Canada consortium to buy energy from Quebec and then probably export it to the United States. Hydro Quebec is in exactly the same kind of situation that Ontario Hydro is. It is burdened with a surplus of electricity in the same way as Ontario Hydro, but at least it has responded to a slower growth in electricity demand by calling

off construction of all new major projects for the next five or six years.

I think that perhaps one of the more—I do not quite know the right word to use—pathetic and whimpering press releases I have seen come across my desk was the one that boasted about the sale of firm power to Vermont. When you have an excess capacity as we have in thousands of megawatts of power, and you get a firm contract, as I understand it, for 52 megawatts of power, I would say there is a large gap that needs to be made up. All of the information we had before the select committee on hydro affairs, when that long-lost, lamented committee was in existence, showed that the markets just are not there in the United States any more than they are here in Canada.

I want for a moment to mention one of the other negative sides of the kinds of aggressive salesmanship that Ontario has been engaged in. Whether we like it or not, it has been detrimental to the Canadian cause in Washington on the question of acid rain. Where we have government officials, both Ontario and Canadian, and public interest groups lobbying to persuade the United States to cut back emissions of sulphur dioxide, Ontario Hydro is easily fingered, rightly or wrongly, by US politicians as the economic beneficiary of acid rain.

When we have the chairman indicating that restraint times may cause Hydro not to implement even minimal programs they were going to undertake to reduce acid rain emissions, that compounds the problem.

The member for Niagara Falls (Mr. Kerrio) went through a very interesting chronology indicating the slight shifts in government policy with respect to export of power. It was traced through the years as the government program changed subtly in that period. Perhaps the most disturbing proposal that has been made is the suggestion, and I admit that it has only been a suggestion that is floated now and then, that Ontario build another nuclear power station strictly to generate electrical power for export.

What is interesting is that this so-called shadow nuclear plant that is not ever supposed to be built showed up in Ontario Hydro's proposal to the Ontario Energy Board, but the board eliminated it as a serious proposition when it cut down Hydro's projected costs and suggested the lower rate of 8.8 per cent. I suppose what is disturbing is the constant way in which this phantom keeps re-appearing. As we have seen, the phantoms of the past with this government often become the realities of the future.

Very seriously, I think that the cost overruns at Darlington, the overexpansion of the Hydro system itself and the pitiful lack of export contracts require a public inquiry into Hydro's expansion program, its financing methods and its accountability. As well as that, I believe we should establish a permanent energy committee of the Legislature, and that is a suggestion that was made more than a year and a half ago.

It was looked upon initially and verbally with some favour by the minister, and yet nothing has been done. I want to make it very clear that I do not believe, and my party does not believe, that Hydro should be dismantled. We do not endorse the recommendation of Energy Probe in that respect in any way, shape or form. Ontario Hydro does need to be made more publicly accountable. It does need to be made—I think a phrase my colleague from Nickel Belt uses occasionally in the Legislature is applicable—brought under public control as well as public ownership. I believe Hydro should be accountable not merely to the minister—I do not think that happens now entirely—and not merely to the Legislature but to the people of the province as well.

10:40 a.m.

I think making it accountable to a permanent committee of the Legislature is a small step in making it accountable to the province. However, there is another problem, which is the problem of all 20th century governments and corporations, whether they are public or private. Once you get to a certain size, you create a dynamic of your own that often exists simply for the self-serving purposes of that corporation or entity rather than the people it was supposed to serve in the first place.

That has to be in Hydro's mandate, and there has to be a regional accountability in the structure of Hydro. I frankly do not know how you would implement that, but I think it has to be one of the considerations. One of the failings of both the Power Corporation Act and the present attitude of the government is that Hydro is not only centralized but it is run for its own purposes. As well, Hydro should be an instrument of public policy and economic development.

There are two small examples that struck me as being illustrative. In a very real sense, the decision to build the thermal generating plant at Atikokan was not strictly an electrical decision. It was a political and economic decision to try to create jobs and a permanent source of employment in a town that desperately needed it. I applaud that. I think that is a useful role for

Hydro to play, and I am thankful it happened in my part of the province.

In contrast to that, there was the closing of the uranium mine at Bancroft. Once again one could look upon that mine as a necessary regional economic goal and a reasonable objective. I see no reason, provided it fits within the guidelines that Hydro operate, that Hydro should not be used as a tool of economic development.

The price you would have had to pay for the uranium at Bancroft was below that presently being paid by Hydro to see to the economic development of Stephen Roman and his friends, as well as Elliot Lake. It is about half. That seems to make it within the guidelines under which Hydro should be operating. To use the argument that it was more expensive than other ore it could import from outside, indicates just a bit of a double standard.

Finally—the minister mentioned this and it too is an idea that has almost become a cliché—I believe Hydro itself, not just private entrepreneurs, should be involved in developing small scale hydraulic projects. I do not know whether the Liberal Party believes this or whether the minister does, but I do.

Hydro has to break out of its obsession, its monolithic obsession, that everything has to be big and everything has to be plugged into the grid. For example, in many northern communities—and I think of the town of Armstrong which has diesel fuel power—a small hydraulic plant in a river near the town, where you would have to string the line maybe 10 to 12 miles to serve that community alone, is a worthwhile undertaking for Ontario Hydro.

It is not likely that a private entrepreneur would do that because he would not have the capital in that area to do it and the return on the investment would not be that great. If electrification is a legitimate objective—and it was in Gandhi's India and it should be in Davis' Ontario—then I think we should have electrification of the rural parts of the north.

Mr. Laughren: Davis and Gandhi?

Mr. Foulds: I use that because Gandhi was first elected on the slogan of education and electrification, and as we have a former Minister of Education as Premier, I thought it would be a slogan they could use in 1985.

I would like to turn now in these few brief spontaneous remarks to Suncor. One simply cannot do a survey of the moves of this government in the last year in the area of energy without at least mentioning Suncor. Let me not

go into the detail the Liberal Party did, but let me make a couple of observations.

The Suncor deal remains a puzzle to me. There really never has been a satisfactory explanation of why this Conservative government got into the matter in the first place. I speculated that it may have had to do with the egos of the minister, the Premier and the president of the Ontario Energy Corp., wanting to become big-league poker players in the energy game and getting a piece of the action when they went to talk to the feds on the matter. On reflection I think that is an unjust personal observation of those three men.

I still do not know why they got into it in the first place. Public ownership is not a natural Conservative move; it is a Socialist move. I love talking to Tory audiences about Suncor, usually the nonpartisan Tory audiences.

Hon. Mr. Welch: Do you get many invitations?

Mr. Foulds: Yes, from the Association of Large School Boards of Ontario, for example. I love talking and just seeing the whites of the eyes flash when I talk about this government's nationalizing a quarter of an American oil company. The whiteness, just sheer terror, sort of sets in.

Hon. Mr. Welch: Because they know you really mean Canadianization.

Mr. Foulds: No. They know I mean socialization and they know it is a Socialist move. In terms of principle, the New Democratic Party is not opposed to public ownership. There are those of our critics who would say—

Hon. Mr. Welch: You heard it here first.

Mr. Foulds: —that we would see that as a solution to all problems. My colleague from Nickel Belt would repudiate that very easily. The suggestions he put forward, for example about the economic recovery of the Sudbury basin, illustrate the kind of mix the New Democratic Party would like to see.

Frankly, more and more—and it is always easy to second-guess and I admit that—Suncor looks like a questionable deal. Too much was paid for what the government got—\$650 million for a quarter of an American oil company. Because the majority control remains in privately controlled US hands, Ontario does not have much influence or control.

For the \$650 million paid, the government could have bought for example, the controlling interest of common voting shares of Inco on the open market. I do not want anyone from the government side ever hitting this party with

irrationality, with spending a lot of big bucks, when we talk about bringing Inco into public control and ownership because for the money it spent on Suncor we could have public ownership and control of Inco.

Mr. Kerrio: That is not fair. They only got 25 per cent.

Mr. Foulds: That is right. We could have got control. We could have got 51 per cent of the common shares for that amount of money, especially on the depressed market today.

Mr. Riddell: That leaves the Liberals standing alone.

Mr. Foulds: You would feel right at home in southwestern Alberta.

Mr. Kerrio: Or Saskatchewan today.

Mr. Foulds: Southeastern Saskatchewan, as I recall.

Mr. Kerrio: They are taking a swing back the other way. They are swinging to the right—no more potash.

Mr. Foulds: No more jobs in potash, no more creative development of industry, no more shipping potash out of the port of Thunder Bay, Ontario, because of the Tories? That is another one we will talk about.

10:50 a.m.

Let me just get back to the fundamental flaw in Suncor. It does not create jobs in Ontario. It does not assure supply because the company remains in the control of foreigners. In time of restraint and high unemployment, government investment in Ontario should be guided by three important principles: One, it should bring about control of the resource for Ontarians; two, it should create jobs here in Ontario; three, it should be labour-intensive and not capital-intensive. Suncor, like Darlington, fails to meet those criteria.

One of the problems of talking about energy is that if one starts from the basis of ordinary common sense, one is accused of one of two contradictory things. Either you are accused of stating the obvious, which is obvious, or, paradoxically, talking pie in the sky. However, I believe it is precisely the obvious which is too often overlooked in discussions about energy. I want to outline three or four basic principles that I think should guide our concerns and discussions when it comes to energy.

I believe we should assign to energy sources their most appropriate uses. We should use all of our energy resources and sources efficiently. Specifically, that means employing the many

conventional energy sources, each to do what it does best. For example, is it not just common sense to actually reserve gasoline and oil for transportation use? Does it not just make sense to reserve natural gas for space heating and for some industrial processes? Does it not make sense to reserve electricity for lighting, moving machinery and other industrial uses? If it is common sense, why do we not do it, either at the provincial or the federal level?

Second, we should not make one technology, either electricity or conservation, a source or a cure-all. I think we have fallen into a trap in Ontario. Third, I think we should use renewable energy sources wherever possible, rather than the limited and depletable resources. Fourth, I think common sense means applying energy on the right scale for the given end use.

I think that is the mistake Ontario Hydro falls into. Common sense means supplying energy of the right grade or quality for a given end use. That is the mistake we get into when we talk about using electricity widely for space heating. The appropriateness of scale and quality of energy needed for a particular end use should be the foundation for energy planning and development.

I want to talk about one alternate energy source in these leadoff remarks because it is a favourite both of myself and my colleague the member for Lake Nipigon (Mr. Stokes), who could not be here this morning, and that is peat. Of the many alternative energy sources available for Ontario, peat could be the most promising. It is already widely used in some regions of the world, but is little recognized in North America.

Finland has a number of peat-fuelled power stations. Ireland operates several peat-fired electrical generating stations. The USSR has a peat-fired electrical generating capacity of 6,000 megawatts, which is about twice Darlington. Canada has the second largest peat deposits in the world and Ontario has the largest peat deposits in Canada. Ontario's peat resources are estimated at 26 million hectares. If one third of that was available for energy, it would be equivalent to 24 billion barrels of oil. That is 30 years of Canada's total oil consumption and that is not bad for a so-called alternative energy source.

However, we do have to recognize that a number of the alternative energy sources, such as peat—peat is a good illustration of this—are site-specific, that is, you cannot use them to plug

into a centralized system. If you are going to use peat as an electrical source, it has to be on site.

To conclude then, I am arguing that energy development in Ontario, and indeed in Canada, should not be monolithic. It should be diverse. We should aim for a common-sense mix of energy sources, a number of them regionally site-specific, and the most immediately profitable source of energy in Ontario remains conservation.

The second and the major theme I would like to emphasize is that energy decisions cannot be taken only with energy considerations in mind. Social, economic and human considerations also need to be taken into account. Simply put, it may be that everyone in society deserves a home or an apartment at 16 or 17 degrees Celsius rather than some of us having homes at 21 degrees Celsius and some of us having no homes at all.

Mr. Chairman: Thank you, Mr. Foulds. Mr. Minister, do you wish to respond to some of the opening remarks?

Hon. Mr. Welch: Mr. Chairman, perhaps, very briefly, I might comment on the most recent contribution, that of my colleague from the north. I found the presentation very thoughtful and I followed the development of his presentation this morning very carefully. Although we may differ, obviously, with respect to a number of matters, I do not minimize the sincerity with which he has approached his preparation for this particular issue. To comment on the contribution of my friend the member for Niagara Falls (Mr. Kerrio) last night, it was obvious that a tremendous amount of research had gone into the preparation of those comments.

Looking for the common theme in both of those presentations, there was a considerable amount of interest placed in Hydro, that is, in the public utility area. As your chairman has indicated to the committee, the officers of that utility will be here next Tuesday evening and there may be some wisdom in leaving until that time some full discussion with respect to Hydro matters so that we could get on with some of the other work on the programs and activities of the ministry.

11 a.m.

I would point out, as a matter of interest—and I perhaps will have an opportunity to do this when we have the public utility here—that it was my understanding that when the New Democratic Party itself was formed in 1961, it

had a different attitude towards the public utility and to nuclear power than it appears to have today by virtue of the comments that have been made. I found it interesting, in doing a bit of research, that at their founding convention—

Mr. Foulds: Federal or provincial?

Hon. Mr. Welch: The provincial party, I take it. It was in July 1961.

Mr. Foulds: That was federal.

Hon. Mr. Welch: I would be the last to indicate that I have been following this with intense interest day by day. The NDP program for Ontario at that time went on to state that provincial statesmen of 50 or 60 years ago had the foresight to establish the utility and the principle of power at cost.

Mr. Foulds: So far I have no argument.

Mr. Laughren: You are right so far.

Hon. Mr. Welch: Just to give you some idea of the futuristic look of this party, they went on to say they were very much interested in a large-scale program of research and experimentation—this was in 1961, so they had some foresight—“to develop promising new sources of power, notably nuclear energy.” They were very enthusiastic about nuclear energy back in 1961. Five years later, at a convention in 1966, they went on to describe nuclear energy as one bright prospect with which we should continue to experiment.

No doubt governments of that day—and one could go through this—were encouraged by the attitude of that party, interpreting that as somewhat supportive of the initiatives that were being taken by governments at that time. Perhaps we will have an opportunity to go into that—

Mr. Foulds: I am sure we will.

Hon. Mr. Welch: —on some other occasion, as we will to review the general position of the official opposition with respect to the utility. I say that quite seriously because I have listened very carefully today and last night to this whole question of accountability. After all, that is what it is all about. The concept of accountability is a very important one, and at the moment the Legislature has in place a piece of legislation called the Power Corporation Act which spells out matters of jurisdiction and decision-making.

Although I have heard the cry for better accountability, if I have interpreted it correctly I have heard no suggestions as to why the present system does not satisfy that particular need. If it does not, and if it is the feeling of my

colleagues that accountability is not the result of the present system and legislative framework that is in place, I have not heard any alternatives. Under the circumstances I think it would be helpful if people are sincere—and I do not question that—with respect to that particular issue and a number of others, to hear some further expansion as to how they feel the matter would be that much more accountable.

The bottom line is, does either opposition party feel that the powers given to the utility under the Power Corporation Act should be taken away from the board? In other words, who is to have the final decision with respect to the activities of the utility? Is it to be with the utility and its board, or is the utility to become a department or a branch of the Ministry of Energy, where the government makes the decisions? I do not think we should be kidding ourselves. Let us lift the curtain and talk about that because we know it is a question of where the decisions are to be made and where the action is. We can have all the consultation in the world, but it is a case of who or what finally decides. We shall perhaps have an opportunity to get back to that.

A number of other matters have been discussed, such as the ongoing question of our investment in Suncor and other initiatives with respect to the supply side. As I mentioned last night, Canada's and Ontario's energy problem is oil. We went on to talk in terms of the various components of the strategy and the program of this ministry as it would relate to and address the energy situation in the country and in the province. We will have, in vote 2006 on Thursday night, an opportunity perhaps to go into that situation in little more detail and, quite appropriately, to respond to the concerns expressed by the members for Niagara Falls (Mr. Kerrio) and Port Arthur (Mr. Foulds).

I do appreciate what my friend from Port Arthur has said about the importance of conservation. It is certainly obvious from what has happened in the course of these estimates with respect to the budgetary increases in this area, about which we can perhaps talk a little later on—the 1981-82 figure is an increase of about 40 per cent over 1980-81 and there is another 22 per cent increase in 1982-83—that there is some recognition in dollars and cents to the extent that is relevant in this whole area of conservation.

I do agree with Mr. Foulds that there are a great many economic spinoffs from emphasis in that area. Perhaps we will have an opportunity to talk about that. Certainly when we have Heat

Save clinics in communities throughout Ontario, we are placing a tremendous emphasis on some practical suggestions as to how people can respond to the cry for more efficiency in so far as home heating is concerned. That has got to send people to the hardware stores and to the home renovators, and all sorts of activities should be generated in the way of economic interest in those communities. That is not to minimize the importance of a follow-up to a far more aware and conservation-conscious public in doing those things which can ensure the results to which the member makes reference.

As I did have a fair amount of time last evening to make general comments, it would perhaps not be fair to take a great deal of time in reply because we shall probably have an opportunity as we go through the various votes to be a little more particular and share some more information with respect to the various programs and activities of the ministry.

Mr. Chairman: Does the committee wish to proceed with vote 2001?

Mr. Foulds: Agreed. Let us go.

Mr. Chairman: Is it agreed to carry it?

Mr. Foulds: No, not yet.

Mr. Chairman: Maybe there are a few questions before we carry it.

On vote 2001, ministry administration program:

Mr. Kerrio: I have a few comments and questions relating to the main office and, one might say, administration.

The minister commented that Ontario Hydro will be represented here and would be best questioned at that time. I agree with that particular assessment of these estimates. The one subject area that Ontario Hydro would not be questioned about, as far as I am concerned, would relate to accountability. I don't think we would be asking Hydro to give us its interpretation of how we could change Ontario Hydro to make it more accountable. I think really what we're talking about is a decision by the cabinet, by the Legislature and whatever.

The minister has suggested we haven't offered an alternative, but we have. The former critic for this party, Julian Reed, placed a bill before the Legislature which I thought was a very good bill. He wasn't by any stretch of the imagination attempting to suggest in any way that we would take Ontario Hydro and denude it of any kind of ability to make decisions or have the decisions made by the Minister of Energy or the Legislature. We certainly appreciate that it should function somewhat on its own.

What we are talking about in accountability is for them to describe what their purpose is and follow it in a way that describes where they are headed. I can't believe that so much of the decision-making should be left to Ontario Hydro. For instance, the critic for the New Democratic Party has suggested that some of their construction sites should relate to the need in a community. I agree wholeheartedly with that. What I am suggesting to you is that I don't think that should be a decision that is made by Ontario Hydro. I think that decision should be made here in the Legislature, as it relates to job creation and these other determinations.

I am very concerned that this separate entity is now making decisions that should be made in the Legislature and should be debated by the members, those members that represent certain particular areas that are hurting, as northern Ontario is today. Then they would be able to put forth the kind of programs they think the minister and cabinet, with debate in the Legislature, should decide on. That is the sort of determination I would hope we could make as it relates to your function with Ontario Hydro.

That was made very plain. I think the member was there at the time on the select committee when Mr. Baetz said that new doors would open and we would see more light shed on Ontario Hydro. The then chairman of Ontario Hydro said the minister didn't have any right to make those kinds of promises because he, the chairman, would make the final determination of what would be given or what information would be shared.

Mr. Minister, the concern is even for you in your office. While you expound on the virtues of Ontario Hydro and say it's wonderful that we have this great abundance of power and give them great credit, which they see fit to publish in their beautiful brochure, my concern is that you really don't have anything to say about those determinations. I would think it's time you did.

Hon. Mr. Welch: Let's just take a look at that for a moment.

Mr. Kerrio: Would you agree, if I may make one final statement, Darcy McKeough was the only person who ever influenced Ontario Hydro up to that point?

Hon. Mr. Welch: It's very important, and I would say this as a criticism of myself, that we could have a far more informed exchange at the moment if the work on the memorandum of understanding was completed and was filed.

As you know, there has been this ongoing responsibility with respect to ministries dealing with agencies, boards and commissions to have these memoranda completed and tabled so that people would have some understanding with respect to the various areas of responsibility. I think a more intelligent response on my part would be possible if I had that work completed. It has taken longer, let me say, than it should have taken and it is not far from being completed.

Certainly, what is spelled out in such an agreement and what you would see if we had it here would be the various areas of responsibility which are Hydro's, on the one hand, and the ministry's on the other. As an appendix to that memorandum would be the various public responsibilities as they are interpreted by government, that is, the role the Treasurer of the province plays in so far as the borrowing arrangements with Hydro are concerned and the role the minister plays as a member of cabinet and taking orders in council to cabinet. No capital programs can be proceeded with without the approval of the Lieutenant Governor in Council. There are many examples of where there is control with respect to expenditures; I am talking particularly in the capital and borrowing areas. They are all spelled out there.

11:10 a.m.

There are also statements which would make it quite clear that the public utility would be called upon and would be responsible to carry out its decision-making operations within this framework of their responsibilities against the general background of the energy policy of the government. Therefore, that would be spelled out in such a memorandum. It would also spell out the methods of communication that would be followed by the minister in informing Hydro with respect to the so-called energy policy of the government.

As I say, and I say this with some apology really, these are the sorts of things that are envisaged to be embodied in the completed memorandum. We could show you exactly what the various steps with respect to that type of control and management are: the separation as between the government on the one hand and the public utility on the other, the communication links and so on.

They are all there. I am sure anyone who has really taken the time to go through them would see that. I guess what you really have also to understand in this sequence—let's take rates, for instance. Rates are of particular interest to you and would be to the people of the province.

Mr. Kerrio: Sure. I have major power users and we get reams—

Hon. Mr. Welch: There is no question about that. I think it's perhaps only fair we point out that although the Hydro board makes the final decision with respect to its rates, keeping in mind that its mandate is to provide the people of Ontario with electricity at cost, it is a public utility. It has to satisfy the electricity customer.

If we were going to be fairly definite with respect to the analogy which the member for Niagara Falls used last night, of stockholders or of ownership, I suppose they would be accountable to the electrical customer, to those who purchase the manufactured energy. Ever since the days of Adam Beck this great cry has gone through Ontario politics, this great emphasis, this great focus on "electricity at cost," whatever that means to people.

To improve the system along these lines, I would remind you that each year Hydro is now required, as spelled out in the Power Corporation Act, to file its rate proposals with the Minister of Energy. They notify me of what they consider to be their revenue requirements for the following year. The minister then sends that request to the Ontario Energy Board with direction to the board to conduct public hearings for the people of Ontario and the customers of Hydro—in fact, anyone who feels in any way affected by or exhibits an interest in the ultimate rates that the public utility is going to charge.

There are mainly three different classes of customers: the bulk rate to the municipal utility; the actual rate to major and direct power customers; and the whole rural system. That goes to the Ontario Energy Board and there is a full public review as far as rates are concerned.

Mr. Kerrio: But I question how they arrive at them because the energy board itself doesn't get all the information. This is not my comment.

Hon. Mr. Welch: Of course, what one has to be careful about, and I say this with great respect, is making very sure, and this may be the case, that you draw a line between what the board counsel may say and what the board itself says. As you know, the role of the board counsel is evolving over a period of time and the board counsel may well make allegations.

The board has its own way of satisfying itself that it has access to the information it needs finally to come up with a recommendation, and I underline that. At the moment it is a recommendation, and this is an area I draw your attention to, because the board, in response to

my letter, will send me back its recommendations, such as: "This utility has asked for such and such. We think, under the circumstances of this review and all these hearings, that they should be able to get by with this." They give all their reasons and then I send that on to the Hydro board and say this is the result of the public hearings and then I wait for that board to make the final decision with respect to that matter.

I really invite you and others to reflect upon that. All this is being done in the spirit of providing the public and the customers of the utility with the opportunity to intervene, to question Hydro with respect to its submission. As you know, these are fairly exhaustive and complete hearings. The bottom line is that, notwithstanding the Ontario Energy Board review and all those public hearings and ultimately its report, the board then decides what the rate will be.

That is why I ask, in a very straightforward way, does anyone suggest that that be changed, or is there any way consistent with not changing it—that is, leaving the final decision with the Hydro board—of improving the process by which the customers or the shareholders feel that they have had their day in court to attempt to influence somebody, ultimately the board, that makes the decision that the rate should be lower than what they ultimately decide it to be?

Mr. Riddell: Which board? The Hydro board or the Ontario Energy Board?

Hon. Mr. Welch: The Hydro board.

Mr. Kerrio: Let me put the argument another way before I finish.

Mr. Riddell: The Hydro board? That is like having a fox guard the chicken house, isn't it?

Hon. Mr. Welch: I am just speaking to the overall question of accountability, the question of control.

The member for Niagara Falls responds and says there are ways in which we can meet this without interfering with the basic philosophical, ideological principle that the public utility ultimately is charged with the responsibility of running the utility. I assume he means by that—if not, he will correct me—setting the rates to determine the revenue they require to provide their customers with electricity at cost.

We are trying to find all these ways in which to provide opportunities for people to intervene, to make representations, but by the Power Corporation Act the Hydro board finally decides.

Mr. Kerrio: I will put the argument a different way then. My quarrel is with the expansion and overexpansion of Ontario Hydro. It seems there has to be some way of putting that in check.

Mr. Foulds has brought forward a good argument as it relates to their position on conservation, and I agree wholeheartedly with that. I am very disappointed that we have not even gone into the very basic acceptance of a new building code to take advantage of positioning of homes and passive solar heat. It does not cost a lot of money.

When I am talking about the reason that Ontario Hydro is not getting power at a price that I think it could, the point I make is that it has expanded in many areas where I do not think it rightly belongs. I do not think Hydro should be involved in a conservation program. I would like to see Ontario Hydro attempt to prove its point, as Mr. Foulds has said, that it is cheaper to heat a house electrically than it is to build it with better thermal protection. I cannot believe that with the conflict of interest that Hydro has with an overabundance of hydro to sell, that it could honestly do a job in the conservation area.

I would have to think that you are covering the ground twice, when the ministry responsible for conservation and alternative forms of energy is in direct competition with Ontario Hydro. Let Ontario Hydro make its point, but let the conservationists and the people who are talking about alternative fuel supplies make theirs. You, Mr. Minister, somewhere in between, should make the determination.

I say we cannot be served by Ontario Hydro in conservation, alternative energy or any other forms where they are definitely in a conflict position where they will not do what is in the best interest of the ultimate consumer.

11:20 a.m.

Hon. Mr. Welch: It may well be that the member for Port Arthur—in fact, not may well be, as I am sure he can speak for himself on that particular issue—will comment on this, but may I first make one or two observations and perhaps invite him to comment. Let me start with this.

The Legislature passed the enabling legislation to permit Hydro to be involved in the residential energy advisory program. Indeed, if I have understood the program of the third party in the Ontario Legislature, it was to encourage this whole concept of conservation.

Mr. Kerrio: By Ontario Hydro?

Hon. Mr. Welch: That is what the residential energy advisory program is all about. I do not think that anyone really has a monopoly on the conservation message. I think we have some responsibilities and we have a program that backs it up in these estimates with respect to raising the level of awareness as far as the public is concerned and being involved in some direct transfer payments to industry and to municipalities and retrofit and all those sorts of things.

I think the public utility is embarking on a program which has a conservation emphasis. If you watch the papers, for example, the Toronto Star supplement of yesterday on the Energy Lifestyle show that is about to go on out in the north end of the Metropolitan area, you will see the natural gas companies are into conservation and everyone is talking in terms of conservation. There is no question about that.

Mr. Kerrio: Talking is right.

Hon. Mr. Welch: The point is that what the public utility and the municipal utilities are doing is making it possible for people to have some type of an audit or assessment of their property and get some advice with respect to the sorts of things they can do in conservation and perhaps substitution that are of some benefit.

I agree wholeheartedly with the member for Port Arthur that if there is one place where one can really trace some economic benefits it is in conservation programs. They are sending people into those hardware stores in Ontario to buy the caulking guns, to buy the storm doors and the storm windows—

Mr. Kerrio: And some rascal on your side decided to tax them.

Hon. Mr. Welch: —and the plastic inserts for the wall plugs. People understand that language. That means jobs and that has some economic benefit as well as some even greater benefit with respect to the rate by which we use up certain resources.

I see no reason why Hydro should not have some place in that and be providing some leadership because it is an energy corporation in that sense.

Mr. Kerrio: It would be like asking the gas companies to provide a gas-saving device for automobiles. It just ain't going to happen.

Hon. Mr. Welch: The natural gas distributors are really into conservation. Not only are they into conservation, but they are promoting energy-efficient furnaces now. There are furnaces on the market now with a fuel efficiency which is really extraordinary. If, in fact, their only object

was to go out and sell natural gas, you are almost suggesting they should encourage people to keep their windows open and the front door open and use furnaces that only have 30 per cent efficiency.

Mr. Kerrio: No. I am just saying there is an awful conflict.

Hon. Mr. Welch: I do not think that is any different than some distiller running ads with respect to moderation. I think that is a public responsibility. The public utility, the natural gas distributors, all sorts of individuals and organizations, are embracing the conservation message and I think that is important.

Mr. Kerrio: Then why are you in it?

Hon. Mr. Welch: I think it is important to make sure we are making a contribution as far as the ministry is concerned, and not just on a conservation message; our involvement in conservation programs is more tangible than that. We are working with municipalities. We are land owners ourselves and landlords as well. We are working through a number of other ministries, Industry and Trade, Municipal Affairs and Housing, Government Services—and the list could go on—with actual taxpayers' money going into programs of retrofit, conservation and fuel-efficiency program.

We are in it to stimulate people to work with the private sector, to help with the payback ratio so that people will get busy recognizing the tremendous energy source that is available right now. I like to call it conservation energy. I see conservation energy as an energy source.

Mr. Kerrio: You do not have to convince me that any one of them is wrong. I am trying to convince you that having them all is wrong, that somewhere they overlap. That is what the problem is today in every form of government.

Hon. Mr. Welch: I think that is a reasonable question to raise.

Mr. Stokes: I think the member for Niagara Falls is saying that everyone is talking conservation as long as you use his form of energy.

Mr. Kerrio: Exactly. It is a vested interest.

Hon. Mr. Welch: I would not fault people for plugging in the conservation message to their own particular product or their own particular approach. That is why I think the government, that is, the Ontario taxpayer, is involved in this in other ways—certainly as far as substitution is concerned—in putting out some literature to help the consumer make some decisions, particularly on the programs to which I made

reference last night, specific programs related to doing things rather than just talking about them.

I felt the member for Niagara Falls was making a very legitimate point. I have said to our communication people on more than one occasion, "Let's make sure we know what is going on out there as far as other programs are concerned because there may be areas in which we don't have to be involved in so far as the message is concerned." If the point is tighter co-ordination, making sure our resources are being properly deployed in an area with which we all agree, I accept that as good advice.

Mr. Chairman: There are several other people with questions. Is this on the same topic?

Mr. Stokes: Administration.

Mr. Chairman: Do we agree to cover all of administration and allow questions on the whole area?

Mr. Kerrio: I would have to think that is fair.

Mr. Foulds: The whole vote?

Mr. Kerrio: Yes.

Mr. Foulds: Vote 2001.

Mr. Chairman: I am a little concerned about not finishing vote 2001 until some time tomorrow night.

Mr. Foulds: I agree.

Mr. Chairman: So maybe we should allow discussion on the whole vote.

Hon. Mr. Welch: As a matter of interest, and to get some direction from you, Mr. Chairman, it was my understanding that we were to have some staff here on Thursday night for the last two votes, votes 2005 and 2006; that is, both the Ontario Energy Board and the Ontario Energy Corp. The following Tuesday evening would be set aside for a fairly full discussion on Hydro. If that were the case, I take it we would try to get ourselves through to the end of vote 2005 by the time we adjourn today.

Mr. Kerrio: Mr. Minister, do you know whom we might expect to have here from Hydro?

Hon. Mr. Welch: My word! Who would you like?

Mr. Kerrio: Are we going to start at the bottom and go up, or at the top and come down?

Hon. Mr. Welch: I think we could give you a good mix, whatever you want. You could have the chairman, the president—

Mr. Foulds: The vice-president?

Mr. Chairman: A few linemen.

Mr. Stokes: Can we get a meter reader?

Hon. Mr. Welch: It might be helpful. He could instruct you on how to read a meter. We would be glad to provide that. We have a film on it.

Mr. Foulds: I am sure you do.

Mr. Kerrio: The operators think they are not getting their fair share. I can tell you that. They think the top boys are taking all the money.

Mr. Chairman: The chair plans to make sure that the personnel you bring in Thursday night are here for a reasonable purpose.

Hon. Mr. Welch: For votes 2005 and 2006, right?

Mr. Chairman: However, I am not sure it necessarily follows that we are going to carry all these votes up to that today. I think we agreed we might spill over into tomorrow night for some of them.

Mr. Kerrio, do you have anything else on vote 2001?

Mr. Kerrio: No.

Mr. Stokes: I would like to speak about policy and administration. My first topic is the northern electrification program. There are a lot of small communities in the north that are not tied into the Hydro grid. I wrote to the minister about this. The only way we are going to get some service into those remote communities is by your ministry making a conscious effort to do whatever is necessary to get power into small communities.

11:30 a.m.

I want to focus particularly on the small community of Collins. A new school was built there recently and the Ministry of Education installed two 20-kilowatt diesel generators to handle the school's load. The actual load requirement at the school is about 10 kilowatt hours. Theoretically there is about a 30-kilowatt surplus there.

You will recall that your ministry said Collins was one of the communities where you would make a very conscious effort to assist them in getting their own little generating capacity. For some reason of which I am not aware, your ministry, through Andy Frame—and I do not see him here—said, “No, we’re going to put that on hold.”

The upshot of all of that was that a Hydro inspector went in and said: “We think that the installation undertaken by the Ministry of Education is an excellent one, and that is fine, but resourceful people in the community have tapped on to that. It is a very dangerous situation

inasmuch as it does not pass the Hydro standard, so we’re cutting you off.”

Under the northern electrification program, why would it not be possible to assist that community, as you undertook to do three or four years ago. Allow them to put up their own poles, employ someone to put a distribution system in there for a reasonably small amount of money and allow the people—other than just the school—to enjoy those amenities that you and I and most other people in the province take for granted. I am wondering whether this has been brought to your attention? I have written to you.

Hon. Mr. Welch: That is right.

Mr. Stokes: I know it was not too long ago. You may not have time to read all of the letters that are addressed to you. I am wondering whether there is any place in your ministry where you are making a concerted effort to make those people living in northern remote communities like Collins feel they are indeed a part of Ontario and entitled to the kind of consideration that was promised three or four years ago?

Hon. Mr. Welch: As the member mentions, this was the subject matter of a letter I recently received from him. I am going to ask Bruce MacOdrum, the executive co-ordinator of conventional energy, to come to a microphone next to the member for Port Arthur.

Mr. Stokes: Most of the people in your ministry would be on my ideological left, I am sure.

Hon. Mr. Welch: I would not want to speak for Mr. MacOdrum on that subject.

As a matter of observation, as Mr. MacOdrum clears his throat in preparation for response—

Mr. Stokes: Now that you mention his name, I have spoken to him over the phone.

Hon. Mr. Welch: —I would like you to know that when you write to the Minister of Energy, the mail comes to the Minister of Energy. He reads his mail and then sends it on. Mr. MacOdrum, would you like to comment.

Mr. MacOdrum: Mr. Chairman, I would like to comment, if I might, in two specific ways.

The ministry has under development an extensive program for remote hydro. We have identified and inventoried a large number of sites and are looking at serving those communities through hydraulic and other renewable and alternative energy sources. I am sure Dr. Roger Higgin

would be delighted to go into greater detail on that specific program.

My recollection of the Collins situation is, as Mr. Stokes said, that it was a problem with respect to the safety and other aspects of tapping into the generation system for the school by the local community. There were some concerns about that. As I understand it, Collins is a railway community remote from the grid at this time and is supplied by the local diesel electric facilities. It will be surveyed and examined in terms of whether it could be incorporated within the remote power program through small hydraulic applications in the neighbourhood.

With respect to the specific problem of the distribution system for the community and the diesel facilities that are in place, we would be prepared to explore that with Ontario Hydro to see if anything further could be done to ensure that a safe and dependable local distribution system in accordance with the codes and standards could be put in place. We certainly would explore that further with Ontario Hydro.

Mr. Stokes: Thank you. I have one other policy matter. This is the subject of another letter. What is it about, Mr. Minister, since you read all your mail?

Hon. Mr. Welch: Peat.

Mr. Stokes: No. I wrote to you as follows:

"Dear Mr. Minister,

"I have read with great interest a speech by your deputy, Glenn Thompson—"

Hon. Mr. Welch: Can it be the best two out of three?

Mr. Stokes: "—to the Ontario Natural Gas Association in Toronto. He went on at some length to impress upon those present the need for converting to natural gas for greater efficiency and to make a significant contribution to Canada's goal of achieving crude oil self-sufficiency.

"Your ministry has spent a great deal of time and effort to convince people to convert from oil to other forms of energy, especially natural gas (Weighing the Oil Drop Decision)." You mentioned that last night.

"Through the Ontario Energy Corp., your ministry is spending large sums of money on Encor, Polar Gas, Sogepet, to assist and participate in finding and developing additional sources of oil and natural gas. I need not remind you of how expensive it is to heat a home north of the French River in Ontario at today's home heating oil costs.

"Yet there are many areas in the province which are not served by TransCanada Pipeline and Northern and Central Gas. The areas along Highway 17, east of Nipigon to Schreiber, Terrace Bay, Marathon, Manitouwadge, Wawa, Sault Ste. Marie, Blind River and Elliot Lake, do not have natural gas as an alternative fuel and yet TransCanada has spent tens of millions of dollars in looping and twinning lines to add to pipeline capacity.

"I am advised that there is a federal scheme in place called the distribution system extension program designed to assist in making natural gas available to industrial, commercial, institutional and residential customers who are yet unserved by this cheaper and more plentiful source of fuel.

"I am requesting that your ministry, in concert with TransCanada Pipeline and Northern and Central Gas, do a survey of the market potential along this route to determine the feasibility of constructing a natural gas pipeline in that unserved area. Not only would such an undertaking provide much needed employment in this time of severe recession, but it would add to the capacity of the line and tap a significant industrial and residential market where fuel oil is used to a much greater extent because of longer and colder winters.

"The population of this corridor is in excess of 150,000 people, and industrial customers like Kimberly-Clark in Terrace Bay, American Can in Marathon, Noranda Mines in Manitouwadge, Algoma Steel in Wawa and Sault Ste. Marie and the uranium mines in Elliot Lake would offer a substantial market for this product.

"Your advice and assistance... would be appreciated."

Hon. Mr. Welch: As the honourable member will remember, in my first set of estimates we had a very interesting presentation at that time of some work we had done in so far as the distribution system for natural gas was concerned. If memory serves me correctly, it may even have preceded or was just about at the same time the national energy program got into this. It became obvious to us that the extension of the network to which the member quite rightly makes reference was, in fact, the subject matter of that study. We had at that time—I don't have them here but I'm sure Mr. MacOdum could comment on this in a moment—those areas where there was a fair amount of infilling that could be done and some priority systems with respect to where one would go and expand.

The national energy program, as the honour-

able member has made reference to in his letter, talks about moneys that would be made available as part of the off-oil program of the government of Canada for the extension of the systems to make natural gas available in areas not now served. I would be grateful if Mr. MacOdrum would bring you up to date as to where we are in our negotiations with the officials of the government of Canada on Ontario's access to those moneys which the Canadian taxpayer is making available for that purpose.

11:40 a.m.

Mr. MacOdrum: As the minister has noted, the distribution system expansion program of the government of Canada was announced as part of the national energy program and the goals of the government of Canada to reduce our dependency on oil to 10 per cent in each of the stationary uses: residential, commercial and industrial.

In the work that we had done, in connection with discussions that were taking place between the governments of Ontario and Alberta prior to the national energy program, we did survey the province in terms of its potential for natural gas substitution, as the minister described. In the discussions leading up to the national energy program, a major point of advocacy with the government of Ontario was to include assistance for expanding the natural gas network throughout the province.

We identified basically two areas of need which the minister has referred to as infill, that is, a lot of our natural gas grid in the province has significant gaps, and not just gaps in terms of where there is not pipe, even in some of our larger urban centres, but where the pipe really relates to the old manufactured gas system and is neither safe nor capable of supplying natural gas throughout the grid. This has been called the infill, and there is great potential to achieve natural gas substitution through the infilling of existing areas.

The second and equally important area was serving new communities. Our survey identified many of them, including the communities of Marathon, Terrace Bay and the others that have been identified by the member. We pressed very hard that the program include capturing the potential of all of these communities. In fact, the sums that were announced when the national energy program was first vetted on October 28, 1980, suggested that through the life of the 10-year program most of this work could be done.

Coming out of the Canada-Alberta agree-

ment and the funding of natural gas expansion through that agreement, the ambitions of the federal government for natural gas substitution have become more modest. The distribution system expansion program as it has been implemented in its initial year throughout Canada but in Ontario specifically, has related only to the infill sector.

We have urged that this is highly inappropriate. What we call the new communities, they call the project review part of their program. They have indicated that they are going to introduce it after they have had some experience with respect to the funding of system expansion in the infill, or what they call, by the incremental sales approach.

We have continually urged on them the priority that should be attached to getting on with new communities. We are optimistic that some moves may be made in that direction in the near future. There have been no announcements to date of applying the project review of the new communities part of their program to Ontario. We are continuing to press this point and I am sure that our effectiveness will be increased by all the help we can get.

The program they have gone ahead with to date is much more modest. Roughly \$15 million has been the expenditure for the distribution system expansion program for all of the Ontario gas utilities. So we are optimistic and continue to stress with the federal government the need to get on to these new communities. As I say, I think their focus has to be continually kept on that part of the program and the commitment that are inherent in the national energy program when it was announced.

Mr. Foulds: May I just ask a supplementary question. What is the basis of your optimism?

Mr. MacOdrum: The discussions we have had with the Department of Energy, Mines and Resources.

Mr. Foulds: What arguments are you using especially in areas such as my colleague pointed out in the north, where they are vulnerable as consumers in any event and are more vulnerable if they are captive of one source of energy. Surely northern Ontario should have as much priority as any part of the country.

Mr. MacOdrum: The most important argument we use continually in this respect is that it is a better use of the money of the taxpayers of Canada to get people off oil at the earliest possible date in the most cost-effective way rather than to pay the import compensation fee

or imported oil. We constantly return to and frustrate the cost-effectiveness of expanding natural gas, both transmission and distribution systems, throughout the province and throughout Canada as a cost-effective way of reducing our bill for world oil.

Mr. Foulds: Do you get any counter-arguments about the necessity to export gas from the federal Department of Revenue?

Mr. MacOdrum: As you know, matters relating to the export of natural gas are dealt with in the National Energy Board Act. They deal with a procedure whereby that board can consider proposals to export gas and make a recommendation to the federal cabinet. That is where the policy of the government of Canada with respect to dealing with natural gas issues is dealt with.

They address the specific policy of natural gas exports in the Canada-Alberta agreement. There is a specific clause of that agreement which relates to the desirability of additional natural gas exports from Canada, should natural gas be found surplus to foreseeable Canadian requirements.

Mr. Kerrio: That word slips in, does it not?

Mr. MacOdrum: That is a very important policy statement of the government of Canada which was recently confirmed by the then Minister of Energy, Mines and Resources, Mr. Lalonde, following phase one of the current hearings before the National Energy Board on natural gas exports, where the National Energy Board recommended to the Governor in Council and the federal cabinet some new tests relating to natural gas exports.

Mr. Stokes: I do not want to monopolize the time of the committee, but it is not generally known that TransCanada PipeLines, because of the tremendous so-called surplus and lack of capacity, has spent tens of millions of dollars on two or three different occasions, the latest one being last winter, for twinning and looping of the existing line which follows generally Highway 17 until it hits Nipigon and then it hits off north and follows generally Highway 11 down through Geraldton, Longlac, Hearst, Kapuskasing and down into North Bay.

They have spent tens of millions of dollars, and I know that as recently as three or four years ago they were thinking very seriously of constructing the line I spoke of, but because of strain and the high cost of money and everything else, they decided against it. I think at that time, with a little push from both the federal and

provincial government, they could have done that.

Now all of those things are on the back burner because of the economic recession, but surely if they are going to twin and loop an existing line, why would they not spend that money to build a new line to include these 150,000 people and some very major industrial customers who would just love to have another source of energy?

I think in this time of recession if you are going to spend any money on job creation, giving people an alternate source of energy and a cheaper source of energy, now is the time to be doing it. That is my reason for raising it at this time.

Mr. Kerrio: If they could not export it, they might want to sell it in Ontario.

Mr. Chairman: Have we aired that one? Did you want a supplementary on that?

Mr. Laughren: It is my understanding, and I will give an example to perhaps make it easier, that Ontario Hydro built a very neat little hydraulic system in a community called Sultan, near Chapleau. It was a prototype and I believe it is the smallest one that has been built in Ontario; I am sure you will correct me if I am wrong.

11:50 a.m.

There were some problems in building it—there was a washout, that kind of stuff—but basically it was really a neat concept, an idea I supported 100 per cent. It is spoken very highly of in that area.

Hon. Mr. Welch: Do you have copies of those addresses you made at that time?

Mr. Laughren: I am sure they were taped by some of your people in the community. I think there is one of your people in that community.

Hon. Mr. Welch: I would hope so.

Mr. Laughren: Anyway, not to be diverted by your ideological rantings—

Hon. Mr. Welch: If that is a ranting, you are in trouble.

Mr. Laughren: —the costs, if I could use the expression about a hydraulic system, mushroomed because of the washout, because it was a prototype and so forth. Then when the new rates were brought in—there had been a diesel operation there previously—they were supposedly not tied to the capital cost of that project at all.

I attended a meeting last Friday night in Sultan with Ontario Hydro people and others. The whole community was out to the meeting and it was an excellent meeting. Your man from Hydro at Timmins handled himself extremely

well at the meeting, I must say. That is the good news.

There was some misunderstanding which has been cleared up. People were complaining about the rates and so forth. I understand that because this is not on the so-called greater grid the rates are pooled with those of other small communities in the north, other communities that utilize diesel generation, because there are no other communities in the area that have small hydraulic systems. Everyone knows that those are high-cost communities. Therefore, the small hydraulic-generation communities are being pooled with other, high-cost, small communities.

I do not understand, and was not able to get it from the person from Ontario Hydro that night, why it is that small remote communities are pooled with other small, high-cost, remote communities. It is a policy decision obviously. Why is it that these people are pooled with them, rather than with the grid, because we are all Ontario? Why that is done escapes me.

Mr. MacOdrum: Obviously there is some pooling to give people the benefit of averaging the systems and the size of the systems and having some sharing of those advantages.

Mr. Laughren: You noticed I did not attack the pooling concept.

Hon. Mr. Welch: Yes, I noticed that. He just wants a bigger pool.

Mr. Stokes: Yes. They did not go far enough.

Mr. Foulds: He wants an ocean instead of a puddle.

Hon. Mr. Welch: That's right.

Mr. MacOdrum: That's right. One of the problems that always occurs with looking at appropriate utility rates, be they electrical or natural gas or even for transportation services, is to what extent is pooling and the sharing of common costs appropriate or, on the other hand, to what extent, where you can identify cost responsibility—that is, the specific costs associated with serving specific customers—should costs, on a fair a basis as possible, be paid for by those customers?

The minister has already referred to the inherent philosophy that underlies the Power Corporation Act and its predecessor, the Power Commission Act, which is a concept of power at cost. I am sure that it is the application of that power-at-cost principle to retail rates that has led to the approach taken to the rates being charged to Sultan and the other communities that are being pooled.

As to the specific cost allocation and rate design assumptions that underly that pooling, that is a matter that you would really have to take up with the people at Hydro, and I gather you did that with their Timmins representative at the meeting.

Mr. Laughren: Thank you for that response but I want to tell the minister that what you bandits are doing to these people in these small communities is talking out of both sides of your mouth. You are saying to the people on the one hand, "Because you are a relatively high-cost operation, because of the size and the relative remoteness, we are going to pool you with other high-cost people."

If only you would use that argument when you are talking about the deliverance of services such as health care to those people, then perhaps we could buy some of your argument. But you do not use that argument. You say: "No you will pay the same OHIP premiums. You will pay the same gasoline tax. You will pay the same provincial income tax." You do not use that argument when it comes to the other side of the coin, do you?

Yet here are these people in remote areas being pooled with other high-cost people, instead of being pooled in with the larger grid, which would give them a decent rate as Ontario citizens. You are wrong in your policy. I think it is time you changed it because it is simply not appropriate. I would be interested in the minister's response.

Hon. Mr. Welch: I would be very pleased to have that matter reviewed by Hydro. I am not averse to having the matter reconsidered. I would think we are sufficiently enthusiastic about the prospects of seeing that type of development that we would not want to be faced with serious impediments to people really taking that expansion seriously.

Without commenting on the detail and knowing what the impact is, I think you quite rightly invite some consideration at this stage of which could be a very promising development. Let me take a look at what the impact of such an impediment might mean. I would be glad to take a look at it.

Mr. Stokes: It is minimal. There are not a lot of people.

Mr. Laughren: Because they are plugging in a large population, a small group into a large pool, it should make a difference.

Hon. Mr. Welch: I understand.

Mr. Laughren: I tell you that as someone who feels as I do towards nuclear development I very much want to see this small hydraulic system doing its work in Ontario.

Hon. Mr. Welch: I share that too.

Mr. Laughren: I know you are as antinuclear as I am.

Hon. Mr. Welch: No, I am not antinuclear, but I do belong to the small guys' society around here and I do know that you are an officer of our organization. The least I could do is to take into account what one of us short guys has said. I understand that.

Mr. Riddell: I want to return to the matter of Hydro's accountability. I am having difficulty trying to understand who, other than Ontario Hydro, makes the ultimate decision and who, other than Ontario Hydro, can reverse those decisions if they were not made in the best interest of Hydro's customers, which, of course, is in the general public.

Chairman:

I am reminded of a former Minister of Energy who was in the Legislature at the time I was and who tried to exercise some control or authority over Ontario Hydro. Being the Minister of Energy, I guess he felt the Minister of Energy should have some jurisdiction over Hydro. He was removed from the portfolio as Minister of Energy and forgotten, just put into the back benches. I trust the reason was that he made some statements, and I will try to be as accurate as possible with these statements.

I recall correctly, he indicated that the minister has all the responsibility but no authority when he talks about Hydro. He indicated that Ontario Hydro had grown too large for any individual to control and compared the giant utility to the Bermuda Triangle, saying if you present a reasonable thought or directive, it gets sucked into the system and never comes out. Another statement he made was that he had walked the so-called corridors of power only to be bugged in the back alleys of bureaucracy.

I took some time to peruse a document that was put out by Energy Probe entitled, Ontario Hydro Out of Control. One statement they made said: "The uneasy relationship between Ontario Hydro and the minister to whom it is presumably accountable is not limited to Energy Minister Welch's experiences." My question is: What experiences have you encountered as Minister of Energy trying to exercise what I

consider to be your authority over Ontario Hydro?

Hon. Mr. Welch: I do not have any problem at all. I am not uneasy about the working relationship at all. Before you start reading all sorts of things into that, like anybody else in Ontario, I have to accept the law the way it is. The Legislature of Ontario has established a utility called Hydro. It is a corporation. It gets all its powers from that legislation called the Power Corporation Act. I would remind you once again that the Legislative Assembly of Ontario since 1906—do not hold me to that date, but Hydro started as a commission at about that time—has evolved a relationship over a period of time and we have something now called Ontario Hydro, Hydro Ontario or whatever the correct corporate name is.

It is all spelled out in the Power Corporation Act as to what it can or cannot do and what approvals have to be obtained and so on and who ultimately has the final decision with respect to certain matters. It is important to mention specific things. For instance, Hydro cannot borrow any money on its own. It has to have the approval of the Treasurer of Ontario. Hydro cannot embark on any capital program without the approval of the Lieutenant Governor in Council.

Spelling out these various areas of responsibility—not to repeat but simply to underline some of the things I said in response to the member for Niagara Falls (Mr. Kerrio)—when we get to the subject of rates, the procedures are as I outlined with the Ontario Hydro board. The board itself is put in place. The Lieutenant Governor in Council appoints the board of Ontario Hydro. It is a very large utility and one which has grown over the years in translating its particular mandate.

If the member wanted to be specific with respect to certain things, I would be quite open and respond to these matters. I think that is why I really quite sincerely have invited members of the committee to share with me modifications or changes which they think would improve the concept of accountability other than what is in place by legislation. The question that comes into my mind all the time—and maybe I am being far too pragmatic—when I sort through all these things, is where the final decision is made. I can tell you where the final decision is made if you give me the issue. If you are talking about rates, I can tell you the final decision is made by the Hydro board, but before it does that, it has to do certain things.

That may be what the member for Niagara Falls and others are saying when they say they want more things done in public or before groups or bodies. I know you are honestly seeking for ways to satisfy yourselves on this question of accountability. I think all of us in public office should be interested in who or what makes the final decision. It is all clearly spelled out.

Some reference was made to a predecessor of mine with respect to the capital program or the borrowing program. There is no question that there is obvious authority in the legislation for the government to exercise very specific controls in those areas. It is all there.

Mr. Riddell: Recognizing the reality that the Hydro board does have a vested interest—I do not think anybody is going to deny that—and that certain approvals have to be obtained from the Lieutenant Governor, if such approvals are not forthcoming, then Hydro has the other alternative of raising rates in order to raise funds for whatever capital expansion it wants to embark on. Once again, the public become the—well, what do you say? I would like to say they are raped, but that is a pretty strong word. They are a victim. That is better.

I am trying to understand the purpose of the Ontario Energy Board. What is the reason for having an energy board if all it can do is make a study, make recommendations and give those recommendations to Ontario Hydro, only to have Ontario Hydro say, "We will consider them, but we will do as we darned well please"?

Hon. Mr. Welch: I would like to comment on that because I think that is a very understandable question and I am going to ask a question, not that I necessarily want an answer. If you want to volunteer one, by all means do so. What I am saying is the difference is this. As you know, the natural gas distributors cannot set their rates without the approval of the Ontario Energy Board. In fact, it is the Ontario Energy Board that sets the rate. They make their application, they make their representations, the board hears the interveners and, as far as natural gas is concerned, the board decides what that rate should be on the basis of the evidence they have heard.

Mr. Riddell: That is the energy board.

Hon. Mr. Welch: The Ontario Energy Board. Yes, that is right.

Mr. Riddell: Why can that not work for Hydro?

Hon. Mr. Welch: Do you want that to be the same thing with Hydro? That is the question. You have asked, quite rightly, what the purpose is of the exercise. I would like to suggest to you the purpose of the exercise at the moment is to place a very heavy responsibility on Hydro and its board to justify before the Ontario Energy Board the revenue requirements it feels it needs to provide power at cost to its customers.

That was as a result of an amendment to the Power Corporation Act. That amendment is short of having the OEB set the rate and simply indicates, as I mentioned before, that Hydro advise the Minister of Energy of what its requirements will be. The Minister of Energy then directs the Ontario Energy Board to hold hearings to provide the public, including Hydro customers, with an opportunity to question Hydro and to analyse those particular revenue requirements. They go into all those details. It is a pretty exhaustive research and hearing process.

Let us not cloud the issue and do not let us cloud the issue. When it is all sorted out and the report comes back, it is a recommendation; it is not a decision. Then the minister sends it over to the Hydro board and says, "Here is what the OEB thinks of your submission." The bottom line, as the jargon goes, is for the Hydro board to decide what it does with that. I would think that has a great psychological and moral value, using those terms in their broadest sense. An arm's-length board, a board which enjoys a certain reputation in this province, has given its view over the particular submission and has decided.

In the present circumstance, Hydro could not meet its needed revenue which would have produced an average rate increase for 1980 of 13.9 per cent. The Ontario Energy Board shook its head and said, "No, as far as we are concerned, for all the reasons we said on this report we think your revenue requirements would be satisfied with an average increase of 8.8 per cent."

12:10 p.m.

Right off the bat, as a result of that whole public review, there is a body that feels Hydro can get along with five per cent less than it thought it could. That has been sent to the Hydro board, and you have seen my follow-up letter to the Hydro board as a result of the introduction of Bill 179.

Having said all of that, let me be the first to say, because I am sure it is in your mind, that it stops short of the OEB having decided; the decision still rests with the board. The question then comes up as to whether or not you feel

as far as rates are concerned, if we are talking about rates, that Hydro should be placed in the same position as the natural gas companies, notwithstanding the fact they are the board that for over 75 years have been charged with the responsibility of providing power at cost.

Prior to this amendment they simply set their rates; there was a time when there was a rate sent to a select committee under Mr. MacDonald which recommended a substantial decrease, which was approved by the Legislature and to which the Hydro board did pay attention, but generally speaking, prior to this amendment they just set their rate.

Mr. Riddell: It just seems strange to me that the public, who Hydro is serving, really have no appeal mechanism whatsoever if they feel the rates are unjustified. It is still a decision of Ontario Hydro, regardless of who they are trying to serve.

We talk about legislative authority and I am going to tell you, Mr. Minister, that the government gave legislative authority for the establishment of farm product marketing boards—

Hon. Mr. Welch: That is right.

Mr. Riddell: —but if, indeed, a board is setting a price which cannot be justified, then they can go before the Farm Products Marketing Board, we now have a Farm Products Appeal Tribunal, and that price can be rolled back if they feel the price set is not justified.

Golly, I would have to think the same would have to apply to Ontario Hydro. I just cannot see letting this corporation run its own show with no appeal mechanism whatsoever. If they want to raise money to take on some kind of capital expansion which we feel is not justified, they simply go to the ratepayers.

Hon. Mr. Welch: No. That is why I was very anxious to make some distinction between various issues. The procedure I just responded to was with respect to the establishment of a rate. I want to tell you there is no way they can proceed with respect to their borrowing or capital program without the approval of government.

Mr. Riddell: That is fine, but let us say they get the approval of government for all the wrong reasons. I was listening very carefully to Mr. Goulds and to my own colleague, both of whom feel that the Darlington plant is not needed, but yet the government will no doubt go ahead and give approval for the building of the Darlington plant.

Hon. Mr. Welch: Yes.

Mr. Riddell: I imagine the thing will definitely get off the ground. Who is going to pay for it? There is no one else who is going to pay for that but the ratepayers of Ontario.

Hon. Mr. Welch: Yes. If I could just follow that. I am not arguing. You are quite right with respect to that and any capital project. You are quite right as to where those costs have ultimately to be tracked.

If we are speaking about accountability I would suggest, with the greatest respect, it is not unlike any decision which government has to make. Government makes the decision, governments are elected, and therefore the ultimate accountability for decisions made by government is to something known as the electorate, and the law provides for a periodic review of any government's stewardship.

That is the ultimate accountability and I point out to you it is just as easy as that. If the public of Ontario feel the government has not discharged its responsibilities properly with respect to the approval of that particular project, or any project, or those things which fall within its jurisdiction, then there is a mechanism to register that.

I point out to you that one of the most fascinating pieces of reading—and I shared this with you last night—is to study the history of Hydro in this province and particularly in the context of the political history of this province over the last 75 years.

The concern you have expressed is a legitimate interest, because those who have gone on before us have approached this issue in different ways and most people stop short—that is all I am saying—of wanting to see the public utility as simply a branch of a ministry of government.

Mr. Kerrio: We never said that.

Hon. Mr. Welch: No, I did not say you did. I am just pointing it out in an—

Mr. Kerrio: It would be like saying General Motors just made motor vehicles.

Hon. Mr. Welch: The other test, Mr. Chairman—if I could just respond to the member, because he is really placing a very important consideration before us—maybe the ultimate judgement comes too in making some comparisons. That is why you will find in answers, from time to time, when we get into the question of rates, the electrical customers of the province are asked to compare their situation with respect to the cost of electricity in other jurisdictions to measure whether or not they are getting a good deal.

Mr. Riddell: I would not be as interested in pursuing that endeavour as I would the comment made by Jim Foulds. You did not, for some reason, want to respond to it. That is, are we making proper use of our energy by heating our homes with electricity?

I happen to agree with what he said. I think we are wasting more than we are gaining by heating homes with electricity.

Hon. Mr. Welch: I was not avoiding answering the question. I did explain the fact that I had 45 minutes or so last night for my remarks and I did not really want to impose more general comments.

If you want me to really speak to that question, I think we are in a very excellent position in Ontario to be providing the people of this province with a choice as far as off-oil is concerned. We build on the present electricity situation in the province. Indeed, if I were in this particular position, and others were in this position, working on the assumption that natural gas is also available—and it may be, as an interim matter where natural gas is not available, I have heard people expound on the fact that propane could be used perhaps as an interim thing—I have a choice. If I am now on oil, I could go the electrical option or I could go natural gas.

From the standpoint of a secure energy future, there is something very positive to be said about that. I am sure we would get technical people—and the member for Port Arthur quite rightly points out there are such people—who would question whether or not that is a proper use of that particular energy form. I think it puts us in a very strong position in Ontario that we have that option.

You will see in the Board of Industrial Leadership and Development document and in a number of cases, you watch what is happening now at the Energy Lifestyle show and other places. You will see the heat pump is growing in importance. In the agricultural areas, of which the honourable member has far more knowledge than I, I have seen some interesting things being done as far as heat pumps are concerned, not just air to air, but water to air, from the standpoint of greenhouses and a number of other options.

That, of course, is building on some electricity strength, the cooling and the heating, and combinations of these things. You will see Imperial Oil now with the—what do you call those?—plenum heaters which they are suggesting

you can use along with oil to reduce oil consumption and use electricity—

Mr. Kerrio: Your eyes must have lit right up with that one.

Hon. Mr. Welch: I thought that was a tremendously progressive step on the part of that company.

Mr. Riddell: If all alternatives were equally well advertised, I am sure there would be no need for the Darlington plant, because I am going to tell you, the people would likely shy away from electricity.

As a matter of fact, the comment I am getting now is that when we put electrical heating into our homes, we actually felt we were saving money when compared to other sources of energy. Now, they say, that is no longer the case. I think they somewhat regret having gone the electrical route.

If this continues, then anyone who is going to be thinking of changing the heating in their home is not going to go towards electrical heating. So this is something we have to take into consideration before we launch out on to a big capital project, such as building the Darlington plant.

Hon. Mr. Welch: May I suggest, with every more respect, that if you were to make a real and objective assessment today as far as advertising campaigns are concerned, you don't see Ontario Hydro or the municipal utilities of this province in any aggressive promotion campaign to heat electrically.

12:20 p.m.

The natural gas people have opened up a fairly ambitious program with respect to natural gas which, of course, they are entitled to do. There are some individual companies that sell electric furnaces and sell heat pumps, and indeed some oil companies who want to save their home heating oil business, who are talking about electricity supplements and so on. But there is no big promotion campaign on now about heating electrically.

Mr. Riddell: You sure sold the people a pig in a poke when you did advertise "Live better electrically." A lot of people went for it and now, as I say, a lot of them regretted doing so. However, we'll let it go for now.

I am still not satisfied with the accountability of Ontario Hydro. I think it is a Goliath of a corporation that's out of control, that's my own personal feeling.

Mr. Foulds: I have half a dozen questions

would like to ask the minister to respond to my criticism in the time remaining on administration.

Mr. Chairman: We are in the brisk portion of the estimates.

Mr. Foulds: I am curious, Mr. Minister. You obviously feel your role is very much as an intervenor with the National Energy Board, but when questions were put to you in the House you've shied away from being and in fact you've refused to be an intervenor or participant in hearings before the Ontario Energy Board. What's the difference?

Hon. Mr. Welch: Oh, there's a big difference. Oh, my word!

Certainly when we are talking in terms of those applications before the national board that, for whatever reason, would impact on the province generally, I think we have a responsibility to make a position known to the board that ultimately has to make the recommendation to the federal cabinet with respect to those matters.

As you know, I said consistently in response to the members for Niagara Falls and Welland-Thorold (Mr. Swart), dealing with the pricing of natural gas, feel it would be quite improper to be engaged in any activity before that board that would give any appearance that I was attempting to influence the board in its decision. The Ontario Energy Board Act is quite clear as to who sets the price.

Maybe I could be criticized for going to an extreme on this, but I would think that the integrity of that board has to be underlined and protected. I do not set the price of natural gas.

Mr. Foulds: You don't set it at the federal level either, but you intervene in the hearings. You intervened in the TransCanada hearings. Your objective, quite rightly, was to protect the consumers of Ontario, whether they were corporate or individual consumers—

Hon. Mr. Welch: That's right.

Mr. Foulds: —but you don't feel that same responsibility when it comes to hearings before the Ontario Energy Board. I fail to understand that inconsistency.

Hon. Mr. Welch: There is a great difference in talking in terms of those costs that ultimately reflect themselves in the price that's paid at our order by the utilities. Once that price has been established, to get into things such as return on income and all those other things which relate to the individual retailer, that's best left for the board to sort out themselves.

The point I'm making in my mind is very

straightforward. I would no more think of interfering or giving the appearance of interfering with that tribunal than the Minister of Agriculture and Food would interfere in the procedure to which the member for Huron-Bruce just made reference.

That's why these boards are set up; to keep them at arm's length from so-called political, in the partisan sense, intervention. I'm sure that in that sense you wouldn't want us to be interfering with the administration of justice generally.

There has to be something said for the integrity of a system which is quite open and quite public and has its procedures in place.

Mr. Foulds: Except the matters before the Ontario Energy Board, of course—

Hon. Mr. Welch: I'll tell you one thing I would criticize. I would join you in that it's how you do this more than anything else. I thought perhaps you were going to get to this point; let me anticipate the point.

Obviously there has to be some way to make sure that the Ontario Energy Board knows what the energy policy of the province is, within which it is making some decisions. I would think that in matters of conservation, that is conservation targets and that sort of thing, there would be some way to quite openly make sure the board understands what the policy of the government is in that area, in the same way we would communicate with the board what the policy of this government is with respect to inflation restraint.

That's quite different than attempting to appear before a board and talk in terms of ultimate rate determinations based on criteria which the board is quite capable of dealing with out in public view without any intervention of government. That is the way the Legislature organizes it.

Mr. Foulds: I would suggest to you, and we might as well agree to disagree, that you like to use the word "interfere"—

Hon. Mr. Welch: Intervene.

Mr. Foulds: I would use the word "intervene." I do see it as part of your responsibility to intervene on behalf of the consumers of Ontario. The matters before the board are of such complexity that the ordinary ratepayer or consumer can't intervene on his own behalf.

Mr. Kerrio: That's right.

Mr. Foulds: I would suggest to you that that is doubly—

Hon. Mr. Welch: Would you do away with the board?

Mr. Foulds: No, you would intervene and the board would make its decision. You would stand by the board's decision, because it has an adjudication function. You don't have an adjudication position because—

Hon. Mr. Welch: Yes, but to go back to—

Mr. Foulds: Hold on. You set up the Ontario Energy Board simply to ensure that the ministry and the government did not have that adjudication position.

Hon. Mr. Welch: You have forgotten one thing—

Mr. Foulds: If I may say so, it is particularly important because—my time is running out and I'm going to damn well use it. It is important for you to do that particularly in a situation which is basically a monopolistic situation. Each of the utilities has a monopoly in the areas they service.

Hon. Mr. Welch: That's why we have the board.

Mr. Foulds: If I may just jump for a minute to link something else, I would therefore use the argument about the monopoly for saying that Hydro's rates should be subject to the decision of the Ontario Energy Board. You have a private monopoly in one case, a public monopoly in another case, and they should be judged by the same rules.

Hon. Mr. Welch: In the spirit of what the member for Huron-Bruce pointed out—and it is somewhat different to the Hydro case—perhaps another reason why you would have to be very cautious as to what you would invite a member of the executive council to do prior to the OEB coming to its own decision is that there is an appeal provision.

In other words, the decisions of that board can be appealed to the Lieutenant Governor in Council, and have been. The Minister of Energy is a member of that council.

Mr. Foulds: He could always absent himself from the appeal procedure.

Hon. Mr. Welch: Keep in mind that there is an appeal.

Mr. Riddell: But the ultimate decision still rests with Hydro.

Mr. Foulds: No, we're not talking about Hydro right now.

Hon. Mr. Welch: I'm talking about the Ontario Energy Board, I'm sorry—

Mr. Foulds: I just want to move along very quickly, if I can.

Mr. Kerrio: You're not going to make it.

Mr. Foulds: Sure I am. Why has it taken so long to determine the letter of understanding with Hydro? What has taken the time?

Mr. Kerrio: It has only been since 1979, hasn't it?

Hon. Mr. Welch: I have almost anticipated that question by an open and public confession: a few moments ago that it has taken far too long.

Mr. Foulds: Yes. Why?

Hon. Mr. Welch: I guess it's just the priority. There have been so many other things. Maybe it's just one of those things we haven't quite got around to finishing up.

Mr. Foulds: Surely of all of the priorities before you, the relationship between Ontario Hydro and the ministry—

Mr. Laughren: That's a wimpish answer.

Hon. Mr. Welch: Be careful.

Mr. Foulds: Wimpish, Joe Clark-like. Surely of all the items before you as an administrator—

Hon. Mr. Welch: I would be much happier and feel much more comfortable, even during the consideration of these estimates, knowing that it was filed. That will be attended to before too long.

Mr. Foulds: Before the next set of estimates?

Hon. Mr. Welch: Yes, I hope before the next set of estimates.

Mr. Foulds: I have one other question, if might. Can you tell me why—

Mr. Riddell: Energy Probe says you're impotent.

Hon. Mr. Welch: Are they referring to me personally?

Mr. Riddell: "Perception of the Ministry of Energy's impotence in the face of Ontario Hydro's demands is widespread at the provincial—"

Hon. Mr. Welch: You realize, if you read that very carefully, that it says "ministry," not "the minister."

Mr. Laughren: That's important. That needs to be said, eh?

Mr. Riddell: Who runs the ministry?

Hon. Mr. Welch: Do you really want an answer to that question?

Mr. Foulds: Can you tell me why your information services is up 48 per cent in its budget?

Hon. Mr. Welch: I would have been disappointed if you hadn't asked that. I think that

st been a reorganization of our budgetary matters.

Mr. Foulds: You mean you've finally taken the public relations money out of energy conservation and put it into information services?

Hon. Mr. Welch: No, there is still information money—

Mr. Kerrio: Are you going to vote against that action?

Mr. Laughren: That answer is worse than mpish.

Hon. Mr. Welch: Could someone give us a quick explanation as to the breakdown for the increase, please, from the 1981-82 estimates to these estimates?

Mr. Foulds: The \$700,000 increase.

Hon. Mr. Welch: A lot of it is inflation.

Mr. Foulds: Forty-eight per cent? Have you ever heard of the five per cent program?

Hon. Mr. Welch: Michael Van Dusen, executive director in this very important area of the ministry, will give us a quick breakdown of the increase.

5:30 p.m.

Mr. Van Dusen: Yes, Mr. Chairman, the difference in the increase is \$707,000. Of that, 70 items account for about 72 per cent. One is Energy Expo, which is taking place in Knoxville, Tennessee. It is \$354,000.

Interjections.

Mr. Van Dusen: The second item is \$152,000 for salaries and wages.

Mr. Foulds: So there has been an increase in staff in the information services?

Mr. Van Dusen: That is correct.

As part of the background to that, the information services group was only created in February 1981, so last year's estimates represented a much smaller group. This year the increase, particularly in salaries and wages, reflects some of the staffing to meet the requirements of the ministry.

Mr. Foulds: Why did the ministry make the decision to spend so much on information services and, relatively speaking, so little on analysis and planning, which I would have thought was far more important? The contrast is quite startling. You are spending double.

Mr. Stokes: They wanted to outdo Tennessee at that world forum.

Mr. Laughren: They wanted to dazzle them.

Hon. Mr. Welch: I think it is perhaps an unfair comparison, because we have had our analysis section in place for some time. What you have to realize is that there are certain start-up costs.

Mr. Laughren: This is hard to take.

Mr. Foulds: Analysis and planning is listed as a new activity.

Hon. Mr. Welch: It is a new activity in this vote, isn't it? Did we not have that in some other area?

Mr. Van Dusen: Yes.

Mr. Laughren: You seem to be shifting around from vote to vote.

Hon. Mr. Welch: Actually, we are just doing it within the vote. Is that not right, Tony?

Mr. Laughren: Are you accepting this answer, Foulds?

Hon. Mr. Welch: He does not ask questions to which he does not expect answers. He is unlike other members.

The reason this is called a new activity, in my opinion, is that it has been transferred from some other area. This is Mr. Jennings. The staff appreciates these opportunities to be introduced.

Mr. Jennings: Thank you very much, Mr. Minister.

On page R30 of the printed estimates you will see the list of items within the vote on administration. Two of them are listed as new activities because they are isolated for the first time in a fairly standard array of activities that are listed within the ministry's administration program. This is standard for each ministry.

Mr. Stokes: I think it is unfair for the minister to ask staff to defend the indefensible.

Mr. Jennings: The analysis and planning activity is one that is identified in most ministries, but had not been separately identified in the Ministry of Energy prior to these estimates. The same applies to legal services.

More specifically, legal services had been covered in the conventional energy area, where most of the activity had been. However, we have now separated it. Similarly, the strategic planning and analysis had been partially covered by the conservation program and partially by the conventional program. So these two were brought out.

If you look at the line above information services, you will see that it was identified the year before, and had been primarily located in the conservation program, but was isolated.

Hon. Mr. Welch: So it is just a matter of a

better organization and identification of activities within various votes.

Mr. Foulds: I am going to try your patience, Mr. Chairman, with one other question. Under information services, you have a listing of \$1,293,300 for services. Are those for production of television advertisements? What are the services?

Hon. Mr. Welch: Mr. Van Dusen, you could rush to the microphone, and then I will quit.

Mr. Stokes: "Conserve it, preserve it"?

Hon. Mr. Welch: No, that is another vote. That is conservation. I keep that one hidden.

Mr. Stokes: "Live better electrically."

Hon. Mr. Welch: Mr. Van Dusen, Mr. Foulds awaits your answer with great anticipation.

Mr. Van Dusen: The services come under a number of areas. We buy an awful lot of production, typesetting, film-making services, various audio-visual services, clipping services, media monitoring, line terminal upkeep, supplies.

Mr. Foulds: Okay. Could I have a breakdown of that, not right now? Could you send me the information outlining that and to whom it gets sent? Do you have outside consultants; or if you spend money with a production firm, for example, who it is, and so on?

Mr. Jennings: Yes, you could. There is no problem.

Mr. Chairman: It is a little past the time here. Do members want to carry this vote?

Interjection: Carry the vote.

Mr. Kerrio: If you want to carry the vote, I have to put a question on it.

Mr. Chairman: Do you want to have something on the record?

Mr. Kerrio: No. Jim has touched on some of the questions I had, but there was one that was left unanswered and not asked.

Hon. Mr. Welch: How can you answer it if it is not asked?

Mr. Kerrio: I thought Jim might be asking it, because he was pursuing this line.

Mr. Minister, in view of the fact that there is so much youth unemployment, I am wondering why the expenditures for Experience '82 were 13 per cent lower than for Experience '81.

It comes as a real disappointment to me when I look in here and see major new initiatives in spending in this ministry, that of all the votes we are talking about you would cut the particular area to help our young people at a time when that employment is very much needed.

Hon. Mr. Welch: Mr. Jennings, you can give your response.

Interjection: Can he answer that quickly?

Mr. Jennings: My area administers that activity. I cannot answer the question specifically, that I was not here when the budget was set for that program. But the Experience program is administered centrally.

Mr. Kerrio: Maybe I can get the answer later. I would go on, and would like to—

Mr. Riddell: What have you got against youth?

Mr. Jennings: It is administered centrally and passed out to the—

Hon. Mr. Welch: I was young myself once.

Mr. Kerrio: In view of the fact that this has happened, I have to vote against information services, if I see that we are cutting from the youth employment and putting it into the other areas. I would then have to vote against item 4 in vote 2001.

Mr. Chairman: Do you want me to pass the questions on to the minister?

Mr. Kerrio: Yes, please. I shall leave those questions to be answered at some later date.

Mr. Chairman: Do members wish to deal with vote 2001 in parts, or can you register your concern with a general vote on all of vote 2001?

Mr. Kerrio: I want to vote against vote 2001 item 4.

Vote 2001 agreed to.

The committee adjourned at 12:38 p.m.

CONTENTS

Wednesday, October 20, 1982

Ministry administration program.	R-503
Journalment.	R-520

SPEAKERS IN THIS ISSUE

Fulds, J. F. (Port Arthur NDP)
 Erris, M. D.; Chairman (Nipissing PC)
 Frrio, V. G. (Niagara Falls L)
 Lughren, F. (Nickel Belt NDP)
 Eldell, J. K. (Huron-Middlesex L)
 Skes, J. E. (Lake Nipigon NDP)
 Welch, Hon. R. S.; Minister of Energy (Brock PC)

From the Ministry of Energy:

Jennings, I. H., Executive Co-ordinator, Management Systems and Services, Administration Group,
 Deputy Minister's Office
 McOdum, B., Executive Co-ordinator, Conventional Energy Group
 Van Dusen, M., Director, Communications Group



Ontario. LEGISLATIVE ASSEMBLY

No. R-20

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Resources Development
Estimates, Ministry of Energy



Second Session, Thirty-Second Parliament
Thursday, October 21, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Information Services Branch, Ministry of Government Services, 5th Floor, 880 Bay Street, Toronto, M7A 1N8. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Thursday, October 21, 1982

The committee met at 8:10 p.m. in room 228.

ESTIMATES, MINISTRY OF ENERGY (continued)

Mr. Chairman: I call the meeting to order. We had finished vote 2001. Let me just get one comment in. I am not sure whether it is in Hansard, but I do owe it to Mr. Kerrio to show that he was opposed to item 4 of vote 2001, if it slips into the record somehow. If it did not last night, maybe it is on there tonight.

Mr. Foulds: I was just wondering, because we have both the Ontario Energy Board and the Ontario Energy Corp. before us, whether we could reserve at least the last hour and a half of tonight's sitting for them, if we get through the votes to that point, say, before 9 o'clock, if that is agreeable to the other members in committee.

Mr. Kerrio: I would agree with that.

Hon. Mr. Welch: The only problem is that both those corporations are well represented and would be disappointed if they did not have at least that much time here. In fact, they would not be upset if you gave them even more time.

Mr. Foulds: We can try.

Mr. Chairman: I talked to them on the way in. They asked if they could have even an extra night, sir, but I am not sure. I guess the direction you are giving me is that as soon as possible, and not later than nine o'clock, we would like to call these votes.

On vote 2002, conventional energy program:

Mr. Kerrio: I have a question on item 4. If anyone has any questions before that, I am prepared to have them go before me.

Mr. Foulds: I have one question on item 3, uranium. Why is that separated out and why it is not included in electric power? And what are the \$34,100 services on uranium?

Mr. MacOdrum: It has been separated out for some years. It is not under fossil hydrocarbons because uranium is not a fossil fuel.

Mr. Foulds: I understand that. Why isn't it under electric power?

Mr. MacOdrum: It is because the organization of the conventional energy group within the

Ministry of Energy has two major sections, the fuels and raw materials section and the electric power section. The fuels and raw materials section has responsibility for all the fossil fuels and also uranium.

Mr. Foulds: Okay, and what are the services?

Mr. MacOdrum: In terms of specific studies?

Mr. Foulds: I mean, do you have one person handling uranium and that is the salary?

Mr. MacOdrum: No. We have a senior adviser on coal and uranium, who has the responsibility of looking after coal, lignite, peat and uranium. Given the supply-demand situation these days, he is spending, I guess, the proportionate amount of his time on the peat and lignite areas.

Mr. Foulds: Okay.

Mr. Kerrio: Will you pardon me for a minute? What does the \$34,100 represent in relation to uranium?

Mr. MacOdrum: I can get you that information. I don't have it right here.

Mr. Stokes: What are you doing for the love of peat?

Hon. Mr. Welch: I thought you handled that this morning.

Mr. MacOdrum: To date this fiscal year we have not committed any of these funds for studies on uranium.

Mr. Chairman: Anything on item 2?

Mr. Williams: Yes, Mr. Chairman, talking about the lignite deposits and potential there, I noticed this past summer that there seemed to be some activity on the line up near the Moosonee area. I am trying to remember the location where the—

Mr. Stokes: Onakawana.

Mr. Williams: Onakawana. What is the current status of the development of that site?

Hon. Mr. Welch: As far as the Onakawana situation is concerned, it is tied in with the Ontario Energy Corp. as well. It is doing some exploration with respect to the overall potential of the province as far as lignite is concerned. Perhaps Mr. MacOdrum could tell us exactly. He might fill in the details of the contract we are

about to award in terms of follow-up studies there, at Onakawana particularly.

Mr. MacOdrum: To supplement what the minister was saying, when we talk about Onakawana, we are talking about a specific lignite deposit which is on acreage under lease to a company by the name of Onakawana Development Ltd. It has identified a lignite deposit in that area which has been known for some time and which is being looked at in terms of a number of applications.

Quite large acreage surrounding that acreage has been leased to the Ontario Energy Corp., and it has been conducting an exploration program in that area and has identified—had some promising leads, I think I would call it—with respect to additional lignite deposits in the broader area outside the lease interests of Onakawana Development Ltd.

As you know, Ontario Hydro studied extensively the application of that deposit for a mine-mouth generating station and determined that it was not economically feasible at this time to build a mine-mouth generating station there and the necessary transmission lines, and to connect it into the grid.

The ministry currently has under way—we have called for and reviewed proposals, and we are about to award a contract—a study of the direct liquefaction of the lignite at Onakawana into transportation or other liquid fuel. The purpose of that is to determine its feasibility and what the cost of making such a conversion would be.

Mr. Williams: I am not clear on whether it has been determined to be economically unfeasible at this time because of the limited size of the deposit or because of the quality of the deposit or a combination of those factors.

Mr. MacOdrum: Size has not been the primary impediment, although the size of that deposit is certainly at the lower range of what one would look at to exploit. It has been the cost of the removal of the overburden, the grade of the deposit, that is, its burning capabilities and water content, and then the distance from markets.

Mr. Williams: I was not aware that there was a heavy overburden there. I thought it was pretty well laid up on the surface.

Mr. MacOdrum: It is overlaid quite extensively by peat.

Mr. Williams: I see. How deep?

Mr. MacOdrum: It varies.

Hon. Mr. Welch: You have the peat first, then the lignite.

Mr. MacOdrum: It is not a matter of hundreds of feet, but a significant amount of work would have to be done before you can get to actually mining the lignite.

Mr. Stokes: It is a muskeg bog.

Mr. Williams: What is the next step on the project?

Mr. MacOdrum: The next step is to study the feasibility of the direct liquefaction of the lignite and to determine whether that is economically feasible and, if it is, in what time frame.

Mr. Williams: Is that the only option left open at this time, or that is the direction you have to go? Is there no other option?

Hon. Mr. Welch: To interrupt here, the study is being conducted to analyse what the options are. The main concern and concentration up until now has been on the possibility of direct burning from a standpoint of electrical generation. The economic feasibility of that has now been ruled out and, knowing the potential there coupled with the research Ontario Energy Corp. is doing to get an overview of the total lignite potential of the province, as to what we might do with this lignite—I suppose low-grade coal might be a good way to describe it—we will be in a much better position maybe to reflect upon a full range of options once we have the benefit of this study.

Mr. Williams: How long will it be before the study is completed?

Hon. Mr. Welch: What is the general date?

Mr. MacOdrum: I believe the work is to be done in the next 15 months.

Mr. Kerrio: I would be remiss if I were not to pursue a particular aspect of uranium mining in Ontario.

When we consider the whole uranium scenario in Canada as it exists, it seems to me that a thumbnail sketch would show that the federal government at one time stockpiled uranium when Denison Mines could not find any place to sell it; subsequently the federal government getting together with other major jurisdictions throughout the world, formed the uranium cartel and pushed the price up to the ceiling and, subsequently, Ontario Hydro gave substantial amounts of money up front to the two large corporations to mine uranium in Ontario.

With all that help that was given to the uranium industry, I would like to ask the minister whether he really feels that everything

possible was done to save the jobs and the mining of uranium at the Madawaska Mines.

8:20 p.m.

I say that with the greatest respect, and I wonder whether every avenue was pursued as it related to the Saskatchewan contracts. We know the contracts do not come in until much later in those two mines, and I accept that. But I wonder whether the people in that area, and more particularly the mines at Madawaska, should not have been given more help, particularly in these times. Then we could have kept a viable mining operation going and could have been able to buy uranium at something like half of what we are buying it for now.

Does the minister feel that everything possible was done that could have been done?

Hon. Mr. Welch: The short answer to that is yes. As the member will understand, we have spent a fair amount of time on that. Certainly Hydro did not need the uranium immediately. We are talking about a future contract and some of the alternatives with respect to stockpiling.

Mr. Kerrio: That is why I mentioned Steve Roman. They would stockpile it for him to save the whole place.

Hon. Mr. Welch: I do not have an up-to-date report with respect to what has happened as far as job opportunities are concerned, but I had reason to believe there would be those involved in that type of mining in the area who were offered and would have jobs in other parts of the province in similar types of activities. As the member will know, in response to questions during that time, the then Minister of Natural Resources was working with the representatives at the local level to provide some job opportunities and some alternatives.

The question was that the public utility asked for bids. There was some competitive bidding for that contract, which of course did not call for supplies until some time in the future. So I do underline that the Minister of Energy, the Minister of Natural Resources, the government generally, were sensitive to the implications which would flow from the closing of that particular mine.

I must say, personally, I am quite satisfied everything that was done under the circumstances, short of finding some artificial way to maintain those operations, the artificial way being—

Mr. Kerrio: The Saskatchewan contracts were pretty firm then; there was no way we could have substituted?

Hon. Mr. Welch: I point out that Saskatchewan is a part of Canada. We were talking in terms of the Canadian source. Mr. MacOdrum will correct me if I am wrong, but my recollection is that well into 80 per cent, if not 90 per cent, of the uranium supply requirements of Hydro will be Ontario sourced and the rest will come from other parts of Canada.

Mr. Kerrio: The reason I broached the subject is that Hydro has taken on the additional role of suggesting that it should participate in many ways, from the building of surplus generation to addressing itself to job opportunities and certain other things. They have really left the mandate that they were first charged with. If that is the case, it seems to me they do a great many other things that do not seem as meaningful as having a mine continue to produce.

While the minister has done some things that seem worth while, this uproots people and takes them from their jobs. It must cost considerable sums of money to the taxpayers to have those miners moved or to do something else to create new jobs. If Hydro is going to play the role of participating in making political decisions as they relate to job opportunities and so on, I just wondered, keeping that in mind, whether that was a consideration.

Hon. Mr. Welch: I think it was a business decision on the part of Hydro with respect to their fuel requirements and the competitive nature of that bidding. Certainly the Madawaska situation is different from others. The Madawaska problem was aggravated by the fact that a contract that mining company had with a foreign jurisdiction came to a very abrupt end. It came to an end six months early; so there were certain penalties paid as a result of that cancellation, the benefits of which flowed to those in that area as well. So there was some economic cushion because of the early cancellation of that contract. It made it possible, as a result, for people to relocate. Those decisions of relocation are not easy for people. I appreciate that there are other social factors involved.

Just to go back to the main question, I am satisfied that a great deal of time was spent in considering the implications of that. They met with Hydro and made that particular case. The Ministry of Natural Resources was very sensitive and moved in with some alternative job opportunity programs as well.

Mr. Kerrio: Thank you. If no one has anything before item 4 of vote 2002, I will put this

question to the minister as it relates to the increases in electric power rates.

Before the Ontario Energy Board, Hydro proposed a rate increase of 13.9 per cent for 1983 and estimated increases of 16.2 per cent and 16.4 per cent for 1984 and 1985, respectively. Compounded, this is where we get the 54 per cent increase over the three years.

However, in the Ministry of Energy's report Off-Oil Heating Conversion Decision, which came out in conjunction with the ministry's report Weighing the Oil Drop Decision, there are different rates of expected increases in electricity. For 1983, the ministry's and Hydro's rate increases are the same, 13.9 per cent. However, the ministry has forecast increases of 9.8 per cent for 1984 and 11.1 per cent for 1985. Compounded, this comes to a 39 per cent increase over the same period of time in which Ontario Hydro is suggesting their increases would be 54 per cent.

The question is, why is there such a gross difference? If home owners are to make intelligent decisions about converting off oil for home heating, how can they be expected to make proper decisions when they are getting different information from Hydro and this ministry? I am wondering what kind of models are used.

The obvious question is, why would there not be more communication between Ontario Hydro and the ministry so that these numbers would come out the same?

Hon. Mr. Welch: If I can address that very last question, the member should find some encouragement from the fact that we are carrying on matters such as this somewhat independently. Not that there is no communication, but I am not surprised that people, having access to all sorts of information, may come up with different projections with respect to load growth. A great deal of this may be related to that.

We are getting two or three things somewhat confused. It is one thing to talk in terms of publications which this ministry is sponsoring to provide the consumer with the information which he or she needs to arrive at some decisions in so far as making that changeover from oil.

Also, I point out that we have to keep in mind that although there may have been some request from the Ontario Energy Board—and the Ontario Energy Board people will be here and able to speak for themselves on this issue—to provide some indication as to what the trend might be with respect to subsequent years, the only

formal matter that was before the Ontario Energy Board was the proposal for 1983.

Although there may have been some speculation or some information asked as to what the increases might be for 1984 or 1985, it is not completely fair to suggest that those figures are firm. Whatever 1984 is, we will know some time in 1983 when Hydro prepares its proposal for 1984 and as we go through the process.

The only thing that was officially before the Ontario Energy Board was the proposal for 1983, which that board dealt with and about which that board had its recommendations.

8:30 p.m.

As a result of extensive public hearings, the Ontario Energy Board differed with the Hydro board and said: "You say you need the revenue which 13.9 per cent would generate. We think you should be able to get by with 8.8," or whatever the figure was.

The member asks a very reasonable question: "In this area of the conventional energy program of your ministry, what do you use as your model? How do you approach this whole question of forecasting, and what consultation is there with Hydro?" I will ask Mr. MacOdrum to share that detail. It is very important.

Members will know that the ministry is approaching this question somewhat independently of Hydro to have its own approach to this and therefore to be able to evaluate to that extent the information that comes from Ontario Hydro.

Mr. MacOdrum, you might share with the committee how we in the ministry approach this whole question of forecasts.

Mr. MacOdrum: Mr. Chairman, our strategic planning and analysis group, under Dr. Bill Stevenson, who is here this evening, develops an annual view of Ontario's energy demand. Without going into all the details of the forecast, it is what is described as an end-use model that is built up from looking at the various uses that can be made of energy, end use by end use, energy type by energy type.

As part of that modelling process for projecting energy demand into the future, assumptions have to be made about the future, and most particularly about rates of inflation in Canada and in Ontario. The electricity rate forecasts contained in the document for home owners, called Off-Oil Heating Conversion Decision: The Costs and the Benefits, this document here, which is the underlying document beneath the forecasts that are in our widely distributed

pamphlet *Weighing the Oil Drop Decision*, were made before the forecasts of rates that were included in Ontario Hydro's proposal for 1983 rates before the Ontario Energy Board.

In part, the answer to the member's question is that we have two forecasts that were made at different times. He might ask why the rates are different. A large part of the difference is the matter I just alluded to: the different view about rates of inflation in the future.

It is interesting to note that when Ontario Hydro requested a 13.9 per cent increase in bulk power rates this year and the Ontario Energy Board recommended an increase of 8.8 per cent, a major part of the disagreement between Ontario Hydro and the Ontario Energy Board turned on this question of what are the appropriate forecasts of inflation in the future. This has a very widespread impact on electricity prices; what we call the energy variable. Ontario Hydro's cost of fuel, whether it is coal or uranium, is very sensitive to inflation rates, not only in Canada but also in the United States.

It is those variations, in terms of a view of the future and the future rates of inflation, which I am sure all of us would agree is a very difficult matter to forecast in these difficult economic times, that led to different forecasts of electricity prices being developed at different times by the ministry and Ontario Hydro.

Hon. Mr. Welch: I was not giving you a signal; I was just giving a blessing to the Minister of Intergovernmental Affairs (Mr. Wells), who just passed by the door.

Mr. Stokes: This may sound like an insignificant item to most people, but in vote 2002, item 4, you have amounts of \$50,000 and \$310,000 on small hydraulic grants.

I understand you have three microgenerators in operation in the province, and I know you have funded, 50 per cent with the federal government, a study on the practical application of a small hydraulic immersible generator to the Kayahna council. That is a tribal council up in northern Ontario.

I want to thank the minister and the ministry for taking enough interest to see what potential there would be for using these small hydraulic generators as a source of supply in those communities where power is extremely expensive because it is diesel generated.

Can the minister give me an overview of what his ministry hopes to do this year with this relatively modest sum of money dedicated to minigenerators or microgenerators?

Hon. Mr. Welch: We were commenting on this briefly the other evening. The member for Nickel Belt (Mr. Laughren) had raised a concern the last time we met with respect to this. It may be only that we have this in more than one vote, because we had a workshop on small hydraulics just recently in which, along with the government of Canada, we committed \$1 million for up to 10 projects to continue this particular development.

Mr. MacOdrum, maybe you could explain why we have this division of resources here. I agree with the member for Lake Nipigon, Conrad Stokes, that we perhaps have confused them over there.

Mr. Foulds: That's a defamation.

Hon. Mr. Welch: That's not comrade, that's Conrad.

Mr. Stokes: He did not make me sick, and I did not make him sick.

Hon. Mr. Welch: Actually he thought it was a very delightful morning. Well, I should not put it quite that way.

Mr. Foulds: We should have got some funding from him for small-scale hydraulic systems.

Hon. Mr. Welch: The member for Lake Nipigon expresses some legitimate concern that this seems to be a very small financial involvement in what we consider to be a very important work. This does not portray the whole picture, and that is why I wanted to make sure that was clearly understood.

Mr. MacOdrum: In fact, the ministry has very great enthusiasm for the potential of small hydraulic development throughout the province. The focus with respect to the conventional energy group is with existing technology, and we are particularly looking at existing dams and the potential of existing dams. But under our remote power program, which comes under our alternative renewable energy group, we also have a substantial commitment to hydraulic power, particularly in northern Ontario. There is also, as the minister has announced, funding under our bilateral program in relation to hydraulic development.

Hon. Mr. Welch: In the next vote, 2003, you will see this all caught up in that assistance under the Canada-Ontario agreement of \$2.1 million. That is where we find the extra money to which we made a reference last time.

Mr. Kerrio: Where was that again?

Mr. Chairman: Vote 2003, the second page, R35.

Mr. Stokes: But what are you doing?

Hon. Mr. Welch: I am sorry. I am taking too much for granted. We talked about this the last time in connection with the workshop that we had had, and proposals are now being developed. Perhaps Dr. Higgin could approach the microphone as I carry on in a general way, because we are now developing proposals for bids in connection with up to 10 more sites which we will help to fund in co-operation with the government of Canada.

Although this is in the next vote, maybe it would be helpful if Dr. Higgin covered it now just to bring you up to date as to where we are and how soon we might be developing the next steps in this process as far as this program is concerned.

8:40 p.m.

Dr. Higgin: Mr. Stokes, perhaps I could briefly explain the overall program. There are a number of components to the small hydro development initiative, some of which are in the policy area related to water rights and streamlining of approvals and so on. That is where the conventional energy group plays a key role.

In terms of the technology development and demonstrations specifically related to a small hydro and in the assessment of remote sites, this is where logically the remote power people are playing a key role. The projects that you referred to last year included the one at the Dorion fish hatchery, the Guelph dam and another one to be installed at the Millcroft Inn, and this was the first stage of technology development.

In addition, in a number of northern communities we are assessing the potential for alternatives to diesel. The communities you referred to are indeed the ones that are being looked at from that standpoint as possible alternatives to diesel. The other thing we should note in here is that the federal government recently announced its remote community demonstration program and they have earmarked funds for that in Ontario, amongst other provinces. There is a committee working jointly with the federal government to assess where the federal government should place some of its demonstration funds which will become available in the next fiscal year.

In the case of those two sites, we are doing feasibility studies which among others would be reviewed by the federal government with respect

to their demonstration program. This year, as the minister noted, we had a workshop at the Inn on the Park in September and the minister announced phase two of the technology demonstration activity related to small hydro. We would make up to \$950,000 available for demonstrations of small hydro technology both in grid connected and in the remote areas. This program is part of our overall Canada-Ontario bilateral agreement on the demonstration of conservation renewable energy technology.

As the minister noted in his speech at the workshop, we expect that the terms of reference for that particular initiative will be released within a few weeks. They are being prepared right now. So that is basically, in a snapshot, the picture on small hydro initiatives.

Mr. Kerrio: Dr. Higgin, in the various forms of small hydraulic installations, it appeared that one of the first alternatives was a low head siphon type installation and I wondered if there are alternative means for areas with a larger flow. Are they going to the floating models now? Were the floating models that they were able to put in the stream without too much earth works or costly installation tested?

Dr. Higgin: Yes. I think the member is referring to some new developments in what has been known as run of the river units and the National Research Council of Canada has been funding work on a new development of that type. Basically, it has a very large intake, rather like an aero-engine intake and it can sit in the river, either moored on pontoons or on the bottom of the river. The flow goes straight through the turbine without a dam. It needs a very good flow rate of course and the power is taken off on an overhead cable from the generator.

This new type of unit seems to have potential because, as you know, the cost of civil works and the complexity of doing civil works is often a major obstacle to small hydro developments. Again, it has to be installed in a situation that has a very good flow for most of the year. So, yes, there is work going on in that direction right now.

Mr. Kerrio: Thank you, Mr. Chairman.

Mr. Stokes: Dr. Higgin, as a sort of a supplementary to what Mr. Kerrio has said, you can recall how I have been urging you to put one of those wind diesel hybrid things up on Fort Severn where you know from your own study that there is the highest constant wind velocity. You talked about the floating river model and that river is a half mile wide. There is probably

as much water going down that river as goes over Niagara Falls. You have been up there. When you are looking at an alternative source for Severn, maybe you could look at that as a possibility at the same time.

Dr. Higgin: Maybe I could respond in perhaps a more general way and say that the ministry is looking at most of the remote communities now to assess what alternatives to diesel may exist within the vicinity. A major one, at least in the areas further south, is we are looking at wood as a possible means on the Hudson's Bay coast. Then, as you correctly say, wind seems to have potential for some communities and we have also been assessing hydraulic potential. The potential for run of river development is being looked at and included in those studies.

It still will be a few months before the studies are completed but I hope they will lead to a much better understanding not only of the power needs but of the total energy requirements in these communities. We often focus on the power issue and sometimes ignore the other energy requirements for transportation and heating and other community needs. I think we have to take a general view of what is needed. Fortunately, after several years of inaction in the field by the Department of Indian Affairs and Northern Development, the Department of Energy, Mines and Resources, our sister ministry in the federal government, has taken an interest in the remote community issue in its own right. This is providing a very much more positive outlet for action in the energy area relative to that, much more than when the federal Department of Indian Affairs and Northern Development alone was responsible.

Mr. Stokes: I won't bring it up under any other vote even though it is in 2003, but dealing specifically with your options on the Fort Severn thing, obviously there are places like Fort Severn and Winisk that have been looking at this new hybrid system that you demonstrated on the Toronto Islands for 1-1/2 years, and then you moved it to Sudbury and it has been in operation there for a year.

Hon. Mr. Welch: We are getting closer.

Mr. Stokes: I hope the next step will be Kapuskasing and then probably Big Trout and finally, about the year 2001 you might get up to the coast. How well is the demonstration model working? It represents an expenditure of over \$1 million, jointly between the federal government and its emanations and this government. And how soon are you going to be able to

transfer it to where it has some real practical application?

Dr. Higgin: The system is working very well. It has met all of the technical performance specifications that were set down for it. The unit is directly mechanically coupled to the diesel so in terms of siting, it means that the wind turbine and the diesel have to be able to be located together. The fuel savings that have been achieved on the installation are in the order of 30 per cent over the time period the unit has been run.

Mr. Stokes: At what wind velocity?

Dr. Higgin: The wind velocity in Sudbury averages something around 17 metres a second. That is an average figure.

Mr. Stokes: What is that in—

Dr. Higgin: About 13.6 miles per hour average wind speed. The next step is to complete the testing by electrically coupling the wind turbine to the diesel in a location where you cannot physically locate the diesel and the wind turbine together but must have them apart. If that is the only way in which the two can be connected, the last stage in the testing involves connecting them electrically.

8:50 p.m.

That work will be completed over the early part of this winter. As you know, we have been monitoring the winds in both Fort Severn and Winisk and collecting wind data not only as to which is the best of the two communities, but on the other hand—

Mr. Stokes: Fort Severn obviously.

Dr. Higgin: But where within Fort Severn would one put the unit and how would it relate to either mechanical or electrical coupling? The decision to move that will be a joint federal-provincial decision. It is certainly one of the proposals that will be reviewed by the remote community demonstration program of the federal government as well. I feel the decision to move could be made by about May or June of next year.

Mr. Stokes: When you are talking with the Department of Indian Affairs and Northern Development, remind them they use between 130,000 and 140,000 gallons of fuel oil just for their school and for what other little installations they have around there. Fuel oil runs anywhere from \$3 to \$4 a gallon to get it landed up there, so I think you can prove the economics of this hybrid system.

Dr. Higgin: Obviously we are negotiating with DIAND for it to play a major role in installing

that. We feel we have taken the risks from DIAND in demonstrating and proving up the technology and now it can look to installing these in suitable locations, as you say, as a cost-effective, fuel-saving device. I think that is very important because it has to move from being a demonstration to something that can be applied both here and in other areas like Labrador and northern Canada. One of the spinoffs we hope to get from this is that DAF Indal, the Toronto-based company in charge of this technology, will be able to market these units across Canada and in other parts of the world like the Caribbean and so on.

Mr. Stokes: That is very encouraging.

Mr. Kerrio: Jack, if it is not feasible there, it will not be feasible anywhere and you can pack the whole thing in.

Mr. Stokes: That's right.

Hon. Mr. Welch: Before we go to vote 2003 and without wanting to take a lot of committee time, it is obvious to me there are representatives in the room today from a part of Ontario which has to be considered one of the most privileged parts of the province. They have come from the former county of Lincoln, now part of the region of Niagara, an area now represented in the Legislature by the parliamentary assistant to the Minister of Energy, the member for Lincoln (Mr. Andrewes).

I want to acknowledge their presence and to assure them their member is a hard-working, conscientious, dedicated individual who cannot spend that much time tonight because he is so busy here—

Mr. Stokes: That was on the first vote, was it not; \$7,300?

Hon. Mr. Welch: We welcome members of the Lincoln Progressive Conservative Association.

Mr. Kerrio: I have heard of that group.

Hon. Mr. Welch: You will notice we have found seats for them all in this room.

Mr. Chairman: I would like to rule that out of order.

Hon. Mr. Welch: I am not asking for any money in any vote for this association.

Vote 2002 agreed to.

On vote 2003, alternative and renewable energy program:

Mr. Kerrio: This has to do with what we consider a very important aspect of the ministry as it relates to alternative and renewable energy development.

On May 13, 1982, in the provincial budget the

seven per cent sales tax was imposed on all conservation, solar and renewable energy equipment. I think it was quite a blow to that industry. Many of the firms in that field are in their infancy and need all the help they can get. I think they suffered from the imposition of that sales tax.

Could the minister tell us if this has caused the cancellation of any projects that were on stream, whether through the ministry or in the private sector? Is there a decline in the sale of that equipment? If we see we are not doing the things that should be done in the realm of solar collection and alternative energy, would you consider talking to the Treasurer to see if we could do something about the tax at least?

Hon. Mr. Welch: Other than what may be directly related to the general economic situation, you have asked me directly for a personal response as to whether I feel the reimposition, or the elimination of the exemption, in so far as this area is concerned, has in any way retarded or slowed up development. I have to say no.

I can assure you in so far as this program is concerned the Ministry of Energy has been delighted with the attitude of the Treasurer over a period of time to forego revenue to act as somewhat of an incentive or stimulation in this area of alternative energy sources. This has provided us with an opportunity.

We could talk about that in the transportation area because I remind the member for Niagara Falls that the Treasurer has seen fit not to reimpose the road tax in so far as the whole area of alternative transportation fuels is concerned. I think that is very significant when one thinks in terms of the impact which an off-oil program will have and when one thinks that 47 per cent if not almost 50 per cent of the oil which we consume is in the transportation area.

The Treasurer has recognized that priority and, in so far as the development of alternatives in the transportation area is concerned, has continued the exemption for that element of tax.

Our policy has been, and Dr. Higgin can expand on this as far as various programs are concerned, that we have been anxious to be associated with projects which would continue these various industries. You have mentioned the solar industry and I must say seven of the top solar manufacturers in Canada are located in this province.

We have a great interest in this industry in this province. We wanted to make sure there is consumer acceptability of this technology and so, along with the government of Canada, we

have been involved in some ambitious programs in the whole solar development area.

It was not long ago that the executive director of the Canadian Solar Industries Association commented in a spontaneous way in one of the widely circulated newspapers that he felt the government of Ontario, notwithstanding this measure to which you made reference, was quite supportive of the industry.

You have asked for a personal opinion. In summary, at this time I do not feel the elimination of the exemptions in this area has slowed up growth. I think the economics now are in place in the whole area of conservation and some of these areas justify these things on their own. Dr. Higgin, it may be you could expand on that in some particulars.

Mr. Kerrio: The only thing that concerns me is the literally millions, maybe billions, of dollars that are being put into the oil and gas industry by various governments, federal and provincial. I want to be absolutely certain the alternative energy companies which are early now in this whole business of collecting solar heat are not going to have anything jeopardize their position.

As I have said, these other huge corporations have had many millions of dollars given to them by various levels of government. Maybe the alternative would be that your ministry would participate to a greater degree in some funding to make certain that industry is not harmed.

Hon. Mr. Welch: I cannot recall the figure. Perhaps Dr. Higgin will refresh my memory, but it seems to me millions of dollars in forgone revenue of the sales tax exemptions were made available over a period of time in addition to direct financial assistance by this government.

You are asked to consider estimates at the moment which call for nearly \$3 million for solar demonstration alone in vote 2003. Is that not a fair summary?

Dr. Higgin: Yes, most of the money referred to in vote 2003, item 2, under the solar demonstration item, is actually direct financial assistance to companies to assist them to install Canadian solar equipment in their establishments. This is the second year we have run this very successful program. As a result of this, there has been considerable progress made by the industry in the kind of technology they can now supply, the warranties they can supply with it and, indeed, in the cost performance of solar equipment. As the minister said, the industry views this particular program as one of the

keystones of the solar industry development in Canada and Ontario.

9 p.m.

We are, indeed, providing a very good level of support to the industry through the companies that wish to look at solar and investigate solar in their own right. This is trying to create a market situation, in essence, because the companies are in competition with one another for the business of those people who are interested in putting in solar systems. They must compete and must convince hard-nosed private companies that they have the best solar products. By this mechanism the fittest tend to thrive, and those that do not have the technology and the products tend to decline somewhat. It does cause that rationalization of the solar industry which, since the market is not going to be immense, is very necessary if we are to have a self-sustaining industry in Ontario.

Hon. Mr. Welch: Mr. Chairman, Dr. Higgin would go on to point out to the member for Niagara Falls (Mr. Kerrio) that there has been some remarkable growth in this area as well, with respect to efficiency. If memory serves me correctly, we are now into round 2 of this particular program and are talking about efficiency being 50 per cent better than in round 1, just in that short period of time.

The member for Niagara Falls, because of his pride in representing that area, also will recall that the Minister of Energy and the member for Niagara Falls were involved in the opening of a solar installation in Niagara Falls at the Coral Motel and know something about the program at first hand because of the success of that project and the financial advantages there.

Mr. Kerrio: It was the first place that people of the industry brought that concern to my attention, Mr. Minister. It was at that gathering.

Hon. Mr. Welch: I was delighted that we could both share in that.

Mr. Kerrio: That solar installation is a very basic solar installation to heat water. It is one of the simplest and cheapest ones, I suppose.

Dr. Higgin: That is correct.

Mr. Kerrio: But I would be very concerned, when we are looking at people who are going to burn wood as an alternative fuel, or to collect some of the passive solar heat, to do some of the very basic things to help themselves in this day of the increased cost of energy, that we should not consider taxing them—the way we do with propane.

I agree wholeheartedly with that; but I am just a little concerned that we are going to stifle people's ability to burn some wood or use some passive solar heat or some very simple installation. The very sophisticated ones you must participate in, Mr. Minister, because they are so expensive. I am thinking of the very simple ones that need to be done.

Hon. Mr. Welch: Mr. Chairman, in the excitement of wanting to get in everything in a hurry here, Dr. Higgin would be quick to point out to you that in the off-oil program, and as amazing as this may appear, the number of conversions to wood in this province to take advantage of the off-oil program has been remarkable, sales tax notwithstanding.

Perhaps, Dr. Higgin, you could share in a sentence or two what is happening in this province with respect to people who are turning to wood.

Dr. Higgin: Yes, minister.

Mr. Stokes: There will be sales tax on that, the next thing we know.

Mr. Kerrio: Jack, give them time. That is in the works.

Dr. Higgin: In round figures over the past year in Ontario under the Canadian oil substitution program, the federal \$800 grant program, the conversions to natural gas have been around 6,500, to wood have been very close to 6,000 and to electricity, somewhat less. So conversions to wood in Ontario have been very close to the other two prime substitution fuels.

Mr. Kerrio: Very important.

Dr. Higgin: Maybe it is not quite as relevant here, but across Canada the conversions to wood have actually exceeded—not in combination, but alone—either of the other two fuels across Canada.

Hon. Mr. Welch: We get 2,000 telephone calls a month, as I mentioned in my opening remarks. About half of those are related to information about conversion to wood.

Mr. Kerrio: I am prompted to ask one question. Is a fair amount of research being done? We know that up to the time of the Franklin heater, wood heaters were not that efficient, and that now, unless we burn off the gases, in some of the airtights we are not doing a really good job. Is there a fair amount of research being done now to draw all the BTUs out of the wood?

Dr. Higgin: Yes. I think you can say that a new generation of wood stoves is being devel-

oped. Some of them are already on the market. You may have noted the development by Canadian Solifuels which has been advertised. That is really unique. They have been using the pellets that are produced by Shell in Hearst and Iroquois Falls as a source of residential heat. It is a fully automatic wood furnace that is fed by pellets from a bin which is located outside. The whole unit is microprocessor controlled.

If that isn't new technology, what is? That kind of development is going on. The private sector recognizes the market and is doing the research. We would think that the role of the government is to be very supportive of them in these areas. They are taking a very strong lead.

Mr. Kerrio: Perhaps they could do some of that research in the smaller wood-burning stoves that people are buying now.

Dr. Higgin: Yes.

Dr. Kerrio: Thank you, Mr. Chairman.

Vote 2003 agreed to.

On vote 2004, energy conservation program:

Mr. Chairman: We are at a few minutes past nine and our target was to finish 2004 by that time.

I just ask your direction now. Do you have questions on 2004?

Hon. Mr. Welch: Mr. Alan Leslie may like to approach the microphone. He is now there, in living colour.

Ms. Fish: I have a brief question on 2004. I am not sure technically if it falls under item 1 or 2, but it flows from some of the various energy conservation seminars and programs that you have been running. For example, I am thinking of some of the Heat Save clinics, and so forth, that took place some months ago. I think they were really quite successful but also, by and large, they were directed to the single-family home or duplex situation.

In my particular riding most of the people live in very high-density, high-rise, multiple-occupancy buildings, and I have been getting a number of inquiries about whether programs similar to the Heat Save program are now available, targeted to the individuals in multiple occupancy, whether as tenants who are concerned about the operating costs in the building that they eventually pay for through their rent, or as owners in condominiums.

I am wondering what initiatives, if any, you are contemplating in this area.

Hon. Mr. Welch: Mr. Leslie, you may want to comment. As you prepare to do so, I will say

that I appreciate the fact that there have been two or three programs in which the member for St. George has expressed interest—this being one—because of the attempts that we have been making to cover the city of Toronto and the whole metropolitan area.

As the minister I attach tremendous importance to this because of the one-on-one contact that is possible; to actually sit down with people and pass on some practical advice. Then there is the seminar which we held on religious buildings, of which we have a number in most of our ridings, on the whole question of conservation. I have appreciated the interest of the honourable member in this area.

Perhaps, Mr. Leslie, you could comment specifically on plans related to the member for St. George.

Mr. Leslie: Certainly. It is a pleasure.

Members of the committee, the simple answer with respect to the Heat Save program and its application to multiple-family dwellings is that the origin of the Heat Save program is the era of thermography, which only looks at the roof of the dwelling. Clearly, in the case of a multiple-unit dwelling, at best you would only achieve something with the dwellers on the upper floor. Of course, as the buildings get taller the roof becomes less and less significant in percentage of heat loss in the building.

That is the basic reason the Heat Save program, as it is at present designed, is oriented very much to the single-family dwelling. As you know, we have embarked on a program with that. I believe we are now in the third year of that program and we plan to continue it for a further two years at least.

9:10 p.m.

In terms of the high-rise dweller, there are a number of things being attempted, such as reviewing and developing technologies for adding insulation to hitherto uninsulated buildings, including application of complete exterior wall new finishes of an insulating nature. There has been one demonstration to date in Kingston, in the university. Other measures going on with high-rise apartment buildings relate more to the management of the buildings and the owners and/or operators of the buildings.

There have been also run, funded by the Ministry of Energy but operated through the Ministry of Municipal Affairs and Housing, research demonstration projects wherein experts in building management and energy conservation have worked with building operators and

building owners to examine fuel bills, examine the systems that operate and work together reviewing opportunities for improvements, such as added fan controls on the major circulating systems, modifying boiler installations in the apartment buildings for the heating and hot water systems, and other measures of that nature.

Ms. Fish: As a follow-up to the point about some of the research and demonstration projects your ministry funds, but which are administered by the Ministry of Municipal Affairs and Housing, would the involvement of the Ministry of Energy then extend as well to the revisions that I understand are now under way to produce a section of the Ontario Building Code that is targeted towards renovation and to build into that renovation building code, if I can describe it that way—the official name escapes me at the moment—concern about energy conservation and the whole question of retrofit as it specifically addresses the already built multiple occupancy high-rise?

Mr. Leslie: The brief answer to that is that we work very closely with the Ministry of Municipal Affairs and Housing on matters related to energy. We are not clear on the precise extent of the energy considerations in its proposed modification or amendment to the building code. My belief at the moment is that the amendment to the building code is much more related to a structural shift than to energy conservation measures.

Hon. Mr. Welch: I think the responsibility for the building code is under the Ministry of Consumer and Commercial Relations. When we had the opportunity to announce some initiatives in August 1980, I think it was, we talked in terms of revisions to the Ontario Building Code that would more accurately reflect the energy efficiency matters to which you make reference, to see them reflected in the building code. Both Municipal Affairs and Housing and Energy are advising Consumer and Commercial Relations on that subject.

Ms. Fish: For new construction or renovation, or both?

Hon. Mr. Welch: I think for both. I must say I am at some disadvantage in not actually knowing at what stage that may be, but certainly they have been working on it for some time. I could not commit them to a deadline.

Mr. Foulds: This is probably more appropriately related to the preceding vote in the sense it is conservation, because we are talking about

alternative fuels versus conventional. I think we would be remiss if we did not get an update from the minister on two matters related to hydrogen potential.

First, what is the current status of the ongoing work of the Institute for Hydrogen and Electrochemical Systems? Of equal importance, what information have our experts been able to garner from the news that broke in the world press a week or so ago about the apparent technological breakthrough out of Texas in the production of hydrogen?

Hon. Mr. Welch: As you know, we had a task force on the whole area of hydrogen and indeed a preliminary contract with the University of Toronto to study the planning stage with respect to the Institute for Hydrogen and Electrochemical Systems. The government has now made its commitment with respect to the establishment of that particular institute as an ancillary to the University of Toronto, and through the Board of Industrial Leadership and Development has made a substantial commitment to the tune of about \$10 million towards that research.

We are now looking to the government of Canada and the private sector as well for some financial contributions. I do not hide from you, Mr. Chairman, and the members of this committee, my enthusiasm for the progress we have made here. There are both short-term and long-term implications in this particular energy currency.

In the short term it can be used as an extender and as an enrichment to heavy hydrocarbons, if I can put it this way, to enrich them and indeed to extend them. This obviously brings us into a very close working relationship with the western provinces as that mix between carbon and hydrogen can be improved.

In the long term, it can be used in the development of the ability to construct storage facilities and to do some work in fuel cells to see the great advantage of building on our nuclear capacity, building on our electricity capacity in this regard. We can take some pride in the fact that there have been some very positive developments here.

Certainly, as Dr. Higgin would tell you if he was still there, I think he could hardly restrain himself from interrupting the minister to say how pleased he is with the developments in this area of alternative transportation fuels and in other dimensions. One thing about our ministry is that there is a very keen group that has some difficulty containing its enthusiasm. You will see them each day rushing to 56 Wellesley, and

they can hardly wait for the traffic light to change so that they can get there to get on with these developments in the interests of not only the people of Ontario but of the country generally.

Mr. Foulds: I have a second point about this news in the United States.

Hon. Mr. Welch: I am not as up to date on that particular development in Texas as my technical advisers may be, but I think it is reasonable to assume that Dr. Scott, who is connected with that particular institute, would have access to that. There seems to be some indication, as I read the press reports, that it might accelerate some developments with respect to electrolysis in utilizing some of the techniques that were described in that particular paper. I think it was the University of Texas, was it not?

Mr. Williams: I understand from the news reports it was likely it would make the use of hydrogen fuel economically feasible within the decade instead of by the end of the century. There seems to be great optimism about it.

Hon. Mr. Welch: This could be the subject matter of a long discussion but, when you think in terms of the advantages in so far as using our electricity resource or the tremendous water resources we have here with respect to this currency and the environmental concerns, I think we are very wise.

I might say, to his credit, the member for Oriole was instrumental in making sure that certain members of the hydrogen institute, or society as it was called, were brought in to the Ministry of Energy. That was a couple of years ago now, and I hope he takes some pride in the fact that there have been these developments since he did, in fact, arrange that first meeting in the minister's office.

Mr. Kerrio: Mr. Chairman, I must make a comment on this hydrogen alternative. I cannot believe we should even consider the hydrogen alternative because, unless we talk about the research that is being done in Texas, where they are doing a solar breakdown of H_2O and using a solar medium for getting their hydrogen, we in Ontario are contemplating putting four parts of electricity in to separate hydrogen and oxygen and taking one part out.

That is a great way to use the excess capacity of Ontario Hydro, but it is really dodging the issue, because I cannot see it as an alternative fuel if there is that kind of waste in it. It is appealing to the Ontario scene because we are so badly overbuilt in Ontario Hydro that any-

thing we can do to consume hydro at that rate would appear to be headed in the right direction.
 2:20 p.m.

We could use the electricity directly. We could start to electrify our railways. We can do all sorts of things. We do not have to go the route of atomic or thermal generation of electricity, taking the loss there, then putting four parts in and taking one part out and turning it into hydrogen to have a bus go down the street when it is just a scheme to use excess electricity.

Hon. Mr. Welch: Mr. Chairman, I must say that is a fairly provocative contribution to the discussion.

Mr. Kerrio: Oh, sure it is.

Hon. Mr. Welch: It comes as no surprise. I do not want to take very much more time because there is an understanding in the arrangement. I would ask Dr. Higgin to respond to that briefly from a technical point of view. I have this information. The record will show the attitude of the member for Niagara Falls in this development but I must say it is not supported by those who have the scientific and technical background.

Mr. Kerrio: Let us hear the loss between taking a bit of fuel and turning it into electricity and then using the electrolysis process and turning it into fuel. Tell us what the loss is.

Hon. Mr. Welch: Perhaps Dr. Higgin would spontaneously enter into this discussion. He does not have to be confined to answering just the questions that are asked.

Ms. Fish: Now, no prompting, Mr. Minister.

Mr. Kerrio: That is okay. He needs all the help he can get.

Dr. Higgin: It depends, as you know, on where you take the system boundaries. Basically the thing is, you take it around the electrolysis cell and look at how much electricity goes in, and you just take the hydrogen piece out and ignore the oxygen, and so on. Mr. Kerrio was quite close, although not exact, on this overall conversion in so far as how many BTUs in the form of electricity one puts in and how many BTUs one gets out in the form of hydrogen.

That is one very narrow view of it. The fact is that you have to look at the overall system right through from the resource from which one produces electricity to the end utilization.

Mr. Kerrio: Absolutely.

Dr. Higgin: When you take that view you will find there are a number of areas in which

hydrogen, despite that initial efficiency component, can indeed yield greater system efficiencies overall.

For example, as the minister stated in his letter to the Star, one of the prime uses of hydrogen is to extend our fossil hydrocarbon resources. We do not throw away the carbon, we add hydrogen and, in that way, if you look at that overall system—

Hon. Mr. Welch: As they say, add more meat to the stew.

Dr. Higgin: Yes, that is right.

Mr. Kerrio: I appreciate what he is going to say, but you select the thing you are going to use for fuel too.

Dr. Higgin: You are correct in stating that there are certain hydrogen technologies, such as hydrocarbon extension, there are certain ones, such as the particular niches where hydrogen can play a role, like the use of where storable fuel is needed. As you know, electricity on a large scale, at the point of use, not at the point of generation like in Hydro, is not storable. So these things have to be taken into account.

For example, you would not exactly want to run aircraft on electricity; the cables would get kind of long. When you look at those kinds of applications where storable fuel is required then, indeed, hydrogen may make some sense. But you are correct on your overall conversion. If you took that electricity and used it to heat something you would get 3,413 BTUs. If you took the same hydrogen and used it to heat you would get about 30 per cent of that. I think you would have to take the overall systems view in looking at hydrogen.

Mr. Kerrio: That is too much of an extension of the discussion for now.

Hon. Mr. Welch: Perhaps you and I might have that at the Coral Motel some time when we are there checking on the solar installation.

Vote 2004 agreed to.

On vote 2005, regulatory affairs program:

Hon. Mr. Welch: Mr. Clendinning, the chairman of the Ontario Energy Board, might take the microphone, along with whatever members of the board he would like to join him.

Mr. Chairman: While he is coming forward, I might remind the committee we are looking at approximately an hour in which we are hoping to discuss vote 2005. There may be one question on vote 2006, I do not know. You may want to gauge that time accordingly.

Hon. Mr. Welch: We almost have a quorum of the board. We could have a hearing if you like.

Mr. Stokes: They do not have to listen to it though, that is the problem.

Ms. Fish: They always listen.

Hon. Mr. Welch: I will introduce the chairman, Robert Clendining. He will introduce his colleagues then we will have those names on the record. That is the thing to do.

Mr. Clendining: Mr. Chairman, on my left is Paul Cunningham, who is the administrative adviser to the board. He is the man with all the numbers. To his left is Miss Stephanie Wychowanec, who is a vice-chairman. At the end is Ian MacNabb, another vice-chairman of the board.

Mr. Foulds: One of the more controversial things the Ontario Energy Board got into, and that we raised in the Legislature, was the quote from the OEB counsel regarding the submission by Ontario Hydro. To refresh your memory, although I am sure it is burned in your memory, in the summary the counsel said: "It is important to recognize that of the total gross revenue requirements of \$4.2 billion over 50 per cent consists of costs which cannot be thoroughly examined, and it was submitted that this should be brought to the minister's attention in its report."

He also said: "Hydro is plagued with excesses, including generating capacity, heavy water and heavy water capacity, western Canadian coal, oil, uranium, nuclear fuel, land and possibly people. The board has not been able to examine many of these areas of concern due to claims of commercial confidentiality."

I noticed when I was going through the board's report on Ontario Hydro bulk power rates for 1983, in the submission of the Association of Major Power Consumers of Ontario it said that Ontario Hydro system expansion is not motivated entirely by the desire to achieve energy savings but that "Hydro's present system expansion plan is based on a number of different factors, ranging from a desire to cut back in acid gas emissions to a desire to stimulate the provincial economy through the BILD program."

"In the opinion of the board this implication should not be taken lightly. Hydro argued that this again is a matter of government policy, but if the minister deems it appropriate the OEB should review Hydro's system expansion program then such a review should not be a part of the annual rate review."

"Again, the board feels it to be improper to take a position on this issue as it, too, regards it as a matter of government policy. However, the board must admit that system costs are heavily impacted by the capital program and that little can be done by the board in the way of economic measures to reduce such costs without effective participation in the determination of the system expansion program."

I gather that what you meant there was you did not feel you had the authority at the present time to take the system expansion program into account when determining the rates, and that without a directive from the minister you felt you had to take one of two routes. You would have to get a directive from the minister on the matter, and probably have a directive from him about examining that specifically in a special hearing. Is that a fair implication to take from your judgement there?

Mr. Clendining: You, of course, are familiar with the letter of reference which outlined the basis of the hearing.

Mr. Foulds: Yes.

9:30 p.m.

Mr. Clendining: Reference is being made to the fact that the system expansion program was excluded from the review. This is what we were discussing. You were reading quickly and trying to absorb and, though I have read the report, could you just repeat the essence of your question so I can answer you?

Mr. Foulds: What I would like to find out is how could that be referred to you so you would take the expansion program into account when determining rates? What would be the most efficient way for the board to handle that, either in a separate hearing having to do with the expansion program or simply by the reference the minister makes to you which would include that as part of your terms of reference for the hearing?

Mr. Clendining: Clearly, under the statute any relevant matter can be referred to the board for study and for a hearing. Specifically, it happens to be clause 37(4)(b) which says that the minister may refer to the board "any matter in any way affecting or related to rates or charges by Ontario Hydro to its customers including, without limiting the generality of the foregoing, principles and practices respecting power costing, rate-making, financing, service reliability, system expansion and operations, then it goes on to some other things."

One answer to your question clearly is that it

ould be referred to the board in the same manner that power rates are referred to the board for review. Is that the type of thing you are looking for?

Mr. Foulds: Yes, so far so good. I think we are on the same wavelength. Do you feel as a board you would have the technical competence to review Hydro's expansion program and its load recasting? Could you get that expertise available to you if you do not have it at present?

Mr. Clendining: I have a recollection we did review an expansion in 1975. That was some years ago and I suppose the system expansion matter has become more complex, but presumably the people have become more competent. I guess my quick answer would be I think we have the competence on board but if we were lacking it then clearly, as we do in many matters which are very expert, we bring people in to assist us when we require them. I guess the answer would have to be, yes, we could physically deal with it if it were referred to the board. Did you ask me more than one question?

Mr. Foulds: No.

Miss Wychowanec: I believe you asked whether there is a problem of getting through it, the timing problem.

Mr. Foulds: No, I didn't ask that.

Miss Wychowanec: I am sorry.

Mr. Clendining: Maybe we were hoping you could ask that.

Mr. Foulds: Not yet; we will wait. Okay, you raise the question. Would there be a timing problem?

Miss Wychowanec: I believe you suggested, could we hear it during the course of a regular hearing? That is what I meant by a timing problem. I think there would be a problem because it would take a considerable amount of time to review it thoroughly and, within the time constraints the board has to review the rate hearing, I think from the board's point of view it could be more helpful to do it as a separate item rather than as part of the rate hearing.

Mr. Foulds: Could I read slowly the last quote from the board's report? It is on page 176 of the main text, not of the appendix, the second last paragraph.

"The board must admit that system costs are heavily impacted by the capital program and that little can be done by the board in the way of economy measures to reduce such costs without effective participation in the determination of the system expansion program."

Do I detect a wistful note that, because your counsel argued that that should be part of your determination, you would like to have the minister refer that to you?

Mr. Clendining: I am not certain of the meaning of the word "wistful," but if it means we are sitting there thinking, "Oh dear, I wish the minister would let us get into it," no. This was written by other board members, but they would not have meant that.

Mr. Foulds: What would they have meant?

Mr. Clendining: I would take the sentence standing as it is, as a fact.

Mr. Foulds: If you would just take a second or two to read the sentence or two above that, you might understand why I have the interpretation I do.

Mr. Clendining: Are you speaking then of that particular paragraph beginning with "Again?"

Mr. Foulds: No. "In the opinion of the board, the implication in AMPCO's submission should not be taken lightly." AMPCO, as you remember, argued that whole program and so on is part of the fact that it results in bulk rates.

Maybe I can approach it in another way. Can you make in your view a satisfactory decision about the rates without having a look at all the costs that go into making those rates, and can you make a satisfactory decision when your counsel says that fully 50 per cent of the information you need to make an informed decision is withheld by Hydro because of the confidentiality argument?

Mr. Clendining: If I could answer part of your question and then deal with the other part separately, one of your qualifiers was the board counsel's comment about the 50 per cent. In your opening comment, you did quote verbatim what the board counsel had said, which I appreciated, but in your recap you put it slightly differently.

I think it is very important that we read what he said. I will comment on the board counsel in a moment. He said, "Of the total gross revenue requirement of \$4.2 billion, over 50 per cent consists of costs which cannot be thoroughly examined." I think that word "thoroughly" is very important. He did not say, clearly, that we could only see half of the picture. He said that, of half the picture, all of it could not be thoroughly examined.

I think at that point we should pause to consider what are the big items in that 50 per cent area he was commenting on. With your indulgence, I would like to talk about some of

the ones that come to mind. I acknowledge there may be others, but the important ones are such things as coal contracts, which was an issue. There is the cost of heavy water and uranium contracts. I think there was some matter dealing with cancellation of some oil purchase agreements, wage settlements, and I think even office rentals.

I could go on but there is something I have in mind when I read that and, having read the report separately, some of these points, while not totally examined by the board, may not be as important as may be seen by some people. We have emphasized the word "thoroughly." None the less, of that which was not thoroughly examined, much of it was beyond our control, beyond the Ontario Energy Board's control in terms of anything it could recommend or do because it was far too complex.

It would not have justified the hearing time in the context of the bulk power issue which was before the board. Frankly, with some of the items which we might have influenced had we been able to examine fully, "thoroughly" as our counsel said, there may be big numbers, and I say that without knowing how big, but the fact remains the amount for which we would have effected change, if any, would have been relatively insignificant.

9:40 p.m.

Mr. Foulds: Can I interrupt you for a second?

Mr. Clendining: Sure.

Mr. Foulds: What you are saying is that for the purpose for which the board is set up—that is, the setting of the rates at a rate hearing—the return on investment in terms of your time—

Mr. Clendining: And one other factor, please. Time, of course, but also there was a general decision made on some of these items that they should not be disclosed publicly in the public interest. The very simple reason was that the disclosure would inhibit Hydro's ability to negotiate, into a contract in some cases, out of some in some other cases, or put it at a disadvantage in the private market in negotiating contracts.

For this reason it was considered that the value of the information—I realize transcripts cannot show me holding up two little fingers; but the difference we would have perhaps influenced, if at all—was not of sufficient consequence to jeopardize this other factor, which the board decided was of paramount concern.

One final comment, incidentally, that may not be helpful but I think I should offer it, is that we would be dealing with some of these things in

isolation in the sense that we are looking Ontario Hydro, which is a unique beast Ontario. We do not really have anything at the time that we can compare with some of the contracts and so on that I have referred to, I think we should keep things in perspective. Finally, I know you are aware that at this time we do not set rates; we simply advise what we think they should be.

Miss Wychowanec is very wisely, as always pointing out that perhaps I did not express something very well. When I said "worth of time" I did not mean that we, the Ontario Energy Board, are in too much of a hurry. Sure it involves the board's time, but I meant Ontario Hydro, all the interveners and all the people who come to the hearing at great expense. That is what I meant by time involved.

Mr. Foulds: I understood that.

Mr. Clendining: I did not mean that we wanted to get away on vacation or anything of that sort.

Mr. Foulds: No. I understood that.

Mr. Clendining: Having answered the second part of your question, I would ask you to rephrase the first part of your question if you would not mind.

Mr. Foulds: You have done such a good job on the second part. I know we are tight on time and Mr. Kerrio will probably want to ask you some questions too, but I want to ask you a couple of questions on natural gas. I think you used the phrase that Hydro was a distinctive kind of beast—

Mr. Clendining: Within our regulatory jurisdiction.

Mr. Foulds: A distinctive kind of beast animal?

Mr. Clendining: "Beast" was the word I use. I am subject to correction.

Mr. Foulds: The minister always thinks engage in a lot of hyperbole and rhetoric. I was trying to catch me up rather than you.

If the Ontario Energy Board were given the authority to actually set hydro rates, as it does with natural gas rates, do you see any particular conflicts or problems with that?

Mr. Stokes: Other than the minister's ire.

Mr. Clendining: I would assume that it would be either through a change in legislation or reference, or both; so the minister would not be irate.

Mr. Foulds: Yes.

Mr. Clendinning: I see some trouble with it, not in terms of—as we have already discussed—our ability to handle the matter. I see a timing difficulty if this were done, in the sense that we spend a great deal of time on the bulk power matter on an overview, which personally I hope is very helpful to Hydro and to other people.

Mr. Foulds: And it is quite helpful to the public.

Mr. Clendinning: I think it is. I think there is a very useful role there. However, it is not done in the sense you are describing. But because of the need to arrive at a recommendation regarding the bulk power rates for the subsequent year, the hearing is accelerated and the report is accelerated. I suppose in all cases, given more time, everything will improve as you have more time.

Having said that, if the whole matter were to be reviewed—that is, every piece of Ontario Hydro in the same manner that we do with a gas company—it would certainly not fit into the time frame we are currently now working in. That is the difficulty I see in the logistics, notwithstanding the ability to do it.

I have some reservations about the merits of doing it, but they are rather hypothetical. I suppose the whole situation you are proposing is hypothetical. We have never been asked to do it.

Mr. Foulds: There is always the possibility.

Mr. Kerrio: Maybe you never shall.

Mr. Foulds: That is what I am getting at: a practical way. Whether that is done through the OEB or some other mechanism, let me say frankly that I perceive a growing feeling, not only by myself but by a number of people in the public as well, that Hydro is not entirely accountable; I am just trying to seek mechanisms of making it so.

I am genuinely seeking your advice and information because, as a board, you have considerable experience with Hydro hearings. I have had some experience on the select committee on Ontario Hydro affairs. I find neither particularly entirely satisfactory. Frankly, I am looking for some advice. You have helped me a good deal.

Mr. Clendinning: I would like to help you, and I hope it is obvious that I am trying. We are dealing clearly in a policy area that perhaps the minister wishes to interrupt on, which I assume you will, sir, at any time.

Mr. Foulds: Yes, I can get back to the minister in the House in terms of the directives he feels he can give to the board.

Hon. Mr. Welch: I would be very reluctant to interfere with the board. As you know, it is not my policy to interfere with the board anyway; but I am listening to these answers with a great deal of interest.

Mr. Kerrio: Mr. Chairman, on a point of order before we continue: It is my understanding that we are going to be done with the Ontario Energy Board at 10 o'clock.

The Acting Chairman (Ms. Fish): If I may, Mr. Kerrio, I would remind the committee, as the chairman did some 20 or so minutes ago, that the general agreement we had was that we expected to proceed through votes 2005 and 2006 by about 10:30. It had been my intention to remind members at about the halfway mark, namely, 10 o'clock, that this was what we had originally agreed to do and to seek guidance from the committee.

Mr. Foulds: I just have one more question for the board, but it does not have to do with Hydro.

The Acting Chairman: I am sorry, Mr. Foulds, are you yielding?

Mr. Foulds: I have one more question.

Mr. Kerrio: Fire away, Jim.

Mr. Foulds: I have one more question that has to do with natural gas. Can I deal with that now, or would Mr. Kerrio rather proceed with Hydro?

The Acting Chairman: Mr. Kerrio, I wonder if it would be possible to permit Mr. Foulds to proceed with his question.

Mr. Kerrio: Oh, sure. Go right ahead, Jim. As long as I get my two questions in.

9:50 p.m.

Mr. Foulds: I recently I got across my desk a briefing note published by the Ministry of Energy, called Energy Note, Natural Gas Pricing in Ontario. In the top paragraph of page 7, it says: "The Ontario Energy Board must be satisfied that a utility cannot absorb any of the increases determined by agencies with jurisdiction outside Ontario before it will allow the utility to pass on these increases to its customers."

First, I want to know if you agree that this is the way the board operates.

Second, it has struck me over the past year that with the tremendous emphasis by the ministries of energy, both federal and provincial, to get customers off oil and on to gas or electricity, where public funds are being used in a sense by levels of government to deliver

captive customers to natural gas and electrical utilities, that this increases their ability to absorb costs that may be passed on to them by jurisdictions outside of Ontario. Do you take that into account?

In other words, they have a larger pool of customers because of public funding to get off oil. Therefore, it seems to me they may have an ability to absorb some of the costs now and next year that they would not have had in the past when these additional customers were not being delivered to them, so to speak. Can you comment on that?

Mr. Clendining: I will try. I am not quite clear on what you mean by the additional funding because of the additional customers.

Mr. Foulds: The Ontario government and the federal government have programs to persuade people to get off oil, and they pay them.

Mr. Clendining: Yes. They pay the people, in effect.

Mr. Foulds: Public funds are used to do that.

Mr. Clendining: Yes.

Mr. Foulds: Whatever it is, that helps create additional new customers either for electrical utilities, which is Ontario Hydro in this province, or gas utilities. Because they have this larger pool of customers, do they have a resultant ability to absorb costs?

Mr. Clendining: Because their revenues are increased to the extent of additional users? Is that what you are saying?

Mr. Foulds: You are doing wonderfully.

Mr. Clendining: Am I? I will trade you places.

Mr. Foulds: Any time. I will not ask your salary, but I will take yours against mine any time.

Mr. Clendining: My short answer is no, but I hear mumbling. Miss Wychowanec, would you like to add a comment?

Miss Wychowanec: I think, Mr. Foulds, you have only taken one side of the equation. As customers are added, there are additional expenses to the utility to add those customers to the line. When you add capital assets to it, you have to pay for them. To pay for them, you have to borrow money. When you borrow money, you have interest costs, labour costs and all the rest of these things.

Mr. Foulds: You pass those through anyway.

Miss Wychowanec: You do, but the fact is that there are additional costs by adding these customers. When you look at both sides of the

equation, your premise is not quite as attractive as it sounds. The fact that there are more customers does not give the company that much greater ability to absorb those additional costs.

Mr. Foulds: Does it give it any ability?

Miss Wychowanec: We have not seen it yet.

Mr. Stokes: Will it over time?

Miss Wychowanec: I do not know whether it will over time, but when we have looked at the company's ability to absorb the fairly substantial increases that have been imposed by other agencies, as mentioned here, we have found they could not absorb them for any period of time.

Mr. Kerrio: Mr. Chairman, I have a couple of questions for a little change of pace now.

I would like to ask the members of the board about the consideration of Hydro rates. I have to think that if I were sitting in your place I would be most frustrated to be looking into the Hydro involvement but not able to have a final decision. I just wonder what the exercise proves in the long run.

Looking back to the original mandate of Ontario Hydro, the mandate they were given was to provide power at the cheapest possible price to the power users of Ontario. Now, looking at the new thrust Ontario Hydro is taken, every day there are changes. There are hundreds of public relations people, they are conservation, and everywhere you look there is Ontario Hydro.

Do you consider why they should be allowed to digress from their original role, which was to produce power at the cheapest possible price to the users of Ontario, in your examination of Ontario Hydro?

Mr. Clendining: When you say "cheapest possible," I believe you mean at cost.

Mr. Kerrio: No, I do not mean at cost. They keep telling me at cost. Cost does not mean anything to me.

Mr. Clendining: You are distinguishing between cost and lowest price?

Mr. Kerrio: Yes, I am. I want to see some hydro at a decent price. I think they have gone hog wild, and I wonder who is ever going to put the brakes on them. You have a little touch on the handle, not very much.

Mr. Clendining: I am sorry, I just do not know what your question was.

Mr. Kerrio: The point is that Hydro's mandate was very clear. I am suggesting they have

one in many directions from the original mandate; it is hydroelectric. They were supposed to generate hydroelectric power, and they have opened up in certain phases, but there are many other directions they have gone that have added substantially to the cost. I wonder whether you look into those other matters or whether it is your role to examine Hydro's involvement in many new areas of endeavour, which has made it grow to the extent it has, which are beyond what I consider to be its mandate.

Mr. Clendining: You do not mean beyond hydroelectric power?

Mr. Kerrio: I would accept even nuclear and thermal, but I am thinking in terms of them getting into energy conservation. There is a contradiction there because, with Hydro having such overcapacity and also having them in the business of conservation, it would not appear that they could do the job. There is a conflict here.

What I really get back to is, do you bother looking into the mandate and wonder whether Hydro is fulfilling its mandate?

Mr. Clendining: We do not look into its mandate as such. I am sure you are aware that we look into the matters we are specifically directed to look at in each hearing we have had with them so far. Mandate is a pretty broad word. That has not been a reference we have had occasion to deal with. I would hope that the mandate would be defined in the event we were asked.

Mr. Kerrio: I thought it was, and I just thought that Hydro—

Mr. Clendining: I mean defined in terms of a hearing procedure so we would know exactly what items were of concern; in that way they could be looked at, and not overlooked, and we could not look at things that were not of interest.

Mr. Kerrio: In fact, if you do not participate and cannot really set the rate, what function do you think the board actually has that is in the interests of the power users of Ontario?

Mr. Clendining: My personal reaction is that it does two things. One, it gives the public an opportunity to participate in the regulation—operation might be a better word, because we do not regulate Hydro—in the operation of Ontario Hydro. The public includes everyone, from private citizens through to large users, in a public forum.

Second, I expect that the report the board

files with the minister and with Hydro and publicly has some influence on the final decision of Hydro in terms of how they set their rates and the other things that are referred to in the report. To me, it is like having someone give you a critique—almost a performance appraisal, if you like—to answer “How am I doing?” I think it serves that role.

10 p.m.

Mr. Kerrio: We do the same thing here and we cannot set the rates.

The minister asked me point blank, and I think he was trying to embarrass me, “Would you eliminate the energy board?” I said, “If they can’t make the decision, I would.” I would give them the power to make the decision or, alternatively, save the taxpayers’ money. I find it very difficult to skate around that.

Mr. Clendining: You mean, eliminate the energy board in terms of its involvement with Hydro?

Mr. Kerrio: With Hydro, yes.

Mr. Clendining: You did not mean in terms of the gas companies?

Mr. Kerrio: No. I am going to get to the gas companies now. The question I raise about the gas companies is this: We all know they are a monopoly, and monopolies in a sense have great advantages in our society. I wonder what criteria are considered in rates with the gas companies as to whether they are to guarantee the investors a return on their investment, and what would that be?

Now that we are in a restraint time and here in the Legislature we are thinking in terms of trying to help the people of Ontario to cope with rising costs, are there fundamental criteria that you use? Is any consideration given to the return on the investment by the gas companies as opposed to trying to have the prices allowed the gas companies fit into the time we are living in right now?

Mr. Clendining: Would either of you like to answer the question? I am not sure I totally understand it and rather than waste your time—

Mr. Kerrio: Maybe we are coming at you from directions you have never had before, but I thought the question was fairly simple. How do you determine what kind of an increase you are going to give the gas companies? Is it a return on their investment? Do you consider the depressed market and what the governments at the two levels are attempting to do?

Mr. Clendining: In terms of the rate of return allowed?

Mr. Kerrio: Yes.

Mr. Clendining: Oh, yes.

Mr. Kerrio: What are the major criteria?

Hon. Mr. Welch: Ian MacNabb, one of the vice-chairmen, perhaps could answer.

Mr. MacNabb: It could be a very long answer, but basically the revenue the utility is allowed to obtain through rates is applied to a rate base which is defined in the act.

Perhaps I could focus in on what I think was the thrust of your question by looking at the rate of return on common equity, which is always one of the more controversial aspects of our hearings, because it involves so much judgement—judgement aided by certain financial tests.

Basically we listen to rate of return witnesses who are expert in the area and we look at a lot of economic information. We look at the earnings of comparable investment opportunities.

Mr. Kerrio: That's what I was afraid of.

Mr. MacNabb: Yes, we certainly do examine the earnings of comparable investments. Market information related to the availability and the cost of equity capital is examined. Ultimately the board applies its judgement to this evidence and arrives at what it considers to be a fair rate of return on common equity.

Mr. Kerrio: Do you have an idea of what that is?

Mr. MacNabb: I can only tell you what some of the more recent findings of the board have been in that area. It is a little difficult to examine it in a vacuum, because the capital structure of gas utilities is considerably different from the capital structure of most industrial concerns and, therefore, the financial risk—that is, the risk of a capital structure involving, say, 35 per cent common equity, rather than something considerably in excess of that—has to be considered.

The financial and business risks of a gas utility as compared to another investment opportunity, another corporation out in the private sector, are looked at—

Mr. Kerrio: Considering that one is a monopoly and the other may not be; keeping that in mind.

Mr. MacNabb: That's right. Currently the allowable rate of return on common equity for Consumers' Gas is 16.25 per cent. For Union Gas Ltd., it is 16.75 per cent. For Northern and Central, it is considerably less than that, primar-

ily because we have not had a full-scale rate hearing for Northern and Central until currently. We are currently involved in one, and I am sitting on the panel; so I do not want to discuss that one in any great detail. But currently the allowable rate of return on an interim basis for Northern and Central is 15.1 per cent.

Mr. Kerrio: My real concern is that if the average citizen is asked to buy Canada saving bonds now, he is going to get 12 per cent for the first year, eight per cent for the next year and eight per cent after that; you have a captive group that is going to be guaranteed a rate of return on a monopoly. I am not sure that you are fitting into the scheme of things as they relate to the difficult times people are having and that the price structure is proper for that reason. I think those numbers should be adjusted in keeping with the economy.

Mr. MacNabb: Perhaps I should explain that the allowable rate of return is just that; it is not a guarantee. That is the bag limit; the utility has to go out and hunt the ducks—

Mr. Kerrio: It's a lot easier hunting ducks than when I was in construction: you had to beat the low bidder, I will tell you.

Mr. MacNabb: We are currently involved in another hearing, a more recent hearing, involving Consumers'. Miss Wychowanec is on the panel. It is my understanding that Consumer has told us that rather than earning the 16.25 per cent on common equity that was allowed by the board in fiscal 1982, which ended September 30, its actual return was something in excess of 16 per cent—I think it was 15.25—with a corresponding reduction in the overall return on rate base. There are a variety of reasons for that, but there is no guaranteed return.

Mr. Kerrio: It's as good as you could have though, with the monopolistic setup. You suggested they are going out and looking for customers. I don't follow you. They generally have areas that they supply. Were you thinking of converting from oil to gas or those sorts of things?

Mr. MacNabb: That's right. I should note—this is in reference to an earlier question by Mr. Foulds—that while the utilities are benefiting from the Canada oil substitution program, which pays home owners to convert from oil, the new business part of the customer attachments has fallen off considerably.

As an example, in the Northern and Central hearing, we were told the other day that the preliminary information had indicated they would

attach 1,500 new customers in the new construction area—not conversions, but new construction—in 1982. This information was obtained by the builders in mid-1981. Their actual attachments in 1982 are now projected to be about 400. So where they are gaining in the one area they may be losing in the other.

But the crucial area is in the industrial sector. There is real competition there with No. 6 oil in eastern Ontario. There is a lot of competition, particularly with coal, in the northern part of Ontario. There is competition with Woodex, for example. The returns from those industrial customers are crucial in an overall way, because without the return from those customers the revenues would have to be obtained from the smaller-volume customers with escalating increases.

Mr. Kerrio: That's the very next point I was going to make: If their income from some of those major users were cut back, then we could expect to see substantial increases to the smaller users, given the return on equity. That's why I am wondering if now is not the time we should start considering having some major adjustments on return on equity; otherwise, the small user is just going to be priced right out of business.

Vote 2005 agreed to.

Mr. Chairman: Mr. Clendining, lady and gentlemen, thank you very much for your time here tonight.

On vote 2006, energy supply program:

Hon. Mr. Welch: I wonder if representatives of the Ontario Energy Corp. would take the floor, please.

10:10 p.m.

Mr. Chairman: Mr. Rowan, I know you would have rather got on earlier, and I apologize that we will not have as much time for this vote as the Minister and, I am sure, you would have liked. I really am looking at about 20 minutes and I have Mr. Foulds to start off. Can we try to go 10 minutes each?

Mr. Foulds: I just have a couple of questions. In the recent setting up of the trade corporation, I understand the arrangement was to use Suncor's exploration expertise in development; and that you have put in 67 per cent of the capital and Suncor, 33 per cent.

My understanding was that Suncor's exploration record was not all that good in the past; that they had been notably unsuccessful in finding oil and gas. Are you confident they can beef up

their expertise so that you will be successful on the Labrador coast?

Mr. Rowan: Mr. Foulds, I am not sure where you got that information so I am unable to comment on it. However, the arrangement with Suncor, in so far as the provision of services is concerned, is that they will provide certain services under a services agreement for the early part of the five-year arrangement we anticipate under the present pit program, and that the company, Trillium Exploration Corp., will engage either its own staff or will engage outside petroleum consultants. As well as Suncor, it will be engaging its own staff and will be calling on outside petroleum consultants as needed.

Mr. Foulds: It won't be using Suncor?

Mr. Rowan: No, sir. I believe I did say that in the early stages it will be calling on Suncor under a services agreement.

Mr. Foulds: They will have to pay for that.

Mr. Rowan: Yes, sir.

Mr. Foulds: Through Suncor.

Mr. Rowan: Yes, sir.

Mr. Foulds: Is that services agreement signed?

Mr. Rowan: That services agreement has been entered into, yes.

Mr. Foulds: How much is it costing us?

Mr. Rowan: Offhand, I don't have that figure. It really depends on the extent to which we call on their services. I should add that the services agreement has been entered into with the approval of the federal government. The extent of the remuneration Suncor will receive under the agreement is being controlled by the federal government, so that Suncor will not make a profit that is seen to be greater than—

Mr. Foulds: I am just interested in the cost. I am not interested in Suncor's profit at the moment, I am just interested in the cost.

Mr. Rowan: I believe I answered that, sir, by indicating that it depends upon the extent to which Trillium draws upon Suncor for specific services.

Mr. Foulds: Would it be possible to table that agreement in the House?

Mr. Rowan: Yes. As a matter of fact, I believe that question has already been asked in the House. As far as the Ontario Energy Corp. is concerned, I believe, in checking with Suncor, that they have no difficulty with that services agreement being tabled.

I understand, Mr. Minister, if the answer to

that question has not already been tabled, it will be shortly.

Mr. Foulds: I just have one minute left of my time so I will not ask about your salary. I imagine it is about the same as it was when you were deputy minister. I understand though that you are still paid out of the ministry budget, rather than from the Ontario Energy Corp. First of all, am I right? Maybe I should ask the deputy minister or the minister that question. Is that not unusual?

Hon. Mr. Welch: Your first answer is yes, that is being carried, and it is being carried until such time as it is adjusted with the Ontario Energy Corp. It will just be a bookkeeping item at that time.

Mr. Foulds: I don't understand that.

Hon. Mr. Welch: I don't think it is going to go on forever that way. It is just a case of us not having made arrangements with the corporation to have it transferred over, but that will be done in due course.

Mr. Foulds: That is why I am asking. My understanding is that the chairman of the Ontario Energy Board, for example, is paid out of separate revenues for the Ontario Energy Board, or allotments, under the vote we just passed.

Hon. Mr. Welch: That comes from the vote we just voted on.

Mr. Foulds: Yes, that is what I meant. The chairman of Ontario Hydro is paid out of the revenues that are attributed to staff for Ontario Hydro. I just find it strange that, when we created the Ontario Energy Corp., we did not budget immediately for staffing purposes.

Mr. Rowan: If I may comment on that: As you know, for six years I was—

Mr. Foulds: You were both.

Mr. Rowan: —both, and when the arrangement was made to separate the two responsibilities, the bookkeeping arrangement of my status—I am still a civil servant, still paid as a civil servant, and still paid under the Ministry of Energy's estimates.

Mr. Foulds: But not under this vote before us.

Hon. Mr. Welch: Technically, it would be under the very first vote, would it not? It would come under administration.

Mr. Rowan: That's right.

Mr. Foulds: So we have in administration salaries for two deputy ministers: Mr. Thompson, who is currently serving, and Mr. Rowan, who is currently serving as the president of—

Hon. Mr. Welch: It is not unusual with government to have secondments to that extent.

Mr. Foulds: Can I find out how soon that transfer will take place?

Hon. Mr. Welch: In due course.

Mr. Foulds: What do you need, a government directive, a change in legislation, or just a policy decision?

Hon. Mr. Welch: No, there are some other matters connected with it. It will be straightened out in due course.

Mr. Foulds: What is the holdup?

Hon. Mr. Welch: Just time.

Mr. Foulds: Time is what you need, but what is the holdup?

Hon. Mr. Welch: It is fair enough to say at this moment there is no question as to where these costs will ultimately be recovered from. As Mr. Rowan has pointed out, he did serve in the dual role. In making the transfer, there is no question that ultimately these costs will be segregated and be part of the operation of the Ontario Energy Corp.

Mr. Foulds: Are you having difficulty coming to an agreement about amounts or benefits?

Hon. Mr. Welch: No.

An hon. member: If we don't carry this vote Mr. Rowan is still going to get paid, obviously.

Mr. Stokes: I have some very quick questions. I am sorry we do not have time to do justice to this corporation. I have been taking a lot of interest in it. The brevity of my questions does not indicate my lack of interest in what the Ontario Energy Corp. is doing.

Specifically, with regard to polar gas, could you give me a brief update? If it does go through, and if at some time in the not too distant future we pipe polar gas from Belcher Islands, down through the Northwest Territories through northwestern Ontario, to intercept with TransCanada PipeLines at Longlac, that is going to be of particular economic significance to a lot of people in Ontario. I want to know what is the status of your application before the National Energy Board to do that? And what kind of play will there be with regard to another lobby that would like to have those petroleum values brought down, in the form of liquid natural gas, to the east coast?

Mr. Rowan: That is a very topical and good question. You are correct in that the routing of polar gas has a great value for certain parts of

northern Ontario. There is no doubt about that. At the present time, there is no filing before the International Energy Board of polar gas.

10:20 p.m.

Mr. Stokes: There was one. You withdrew it?

Mr. Rowan: That is correct. At the present time, there is a preference for what is known as the Y-line that would connect the Mackenzie Delta, Beaufort Sea and the Arctic islands in a single line that would start around Coppermine and would come diagonally across the Northwest Territories to Longlac. That is the routing that has the most importance—

Mr. Stokes: I do not want to interrupt you, but if you do not have an application before the IEB there is really no use in us talking about it. We can talk about it privately and I propose to go that. I do not want to take too much time from Mr. Kerrio, but I want to ask you what is going on with regard to Onexco that was supposed to have been set up this summer. I assume it was.

You say that, "Proposed to be established in 1982, participants in joint venture resolved in September of 1981 to convert their interest into a commercial company, Becdevco." That stands for Bruce Energy Centre Development Corp. Has that been done and, if so, how far have you progressed to date with your interests in the Hudson Bay lowlands?

Mr. Rowan: Onexco has been set up. It has assumed the responsibilities for our joint venture in Hudson Bay in partnership with Canadian Occidental. Originally it was Sogepet, an Ontario company that subsequently farmed out its interest to Soquip, which is a Quebec company.

The first phase of the exploration program was completed on September 3 of this year. Again, the numbers that come to mind are about a 2,500-kilometre seismic program. That was completed successfully. They are very pleased with the quality of the seismic work. It is now being interpreted. There will be another seismic program undertaken next summer and following that, there should be sufficient information on the geology of Hudson Bay to enable the joint venture to decide whether or not it is worthwhile to go to the third phase which will be the drilling phase.

Mr. Stokes: Thank you. My final question, for our edification, Vince, is you mention peat here as something that you people are taking an active interest in. Do you agree with the preliminary estimates of the Ministry of Natural

Resources at the seminar in Thunder Bay where they estimated the BTU equivalent of the peat resources that we have in Ontario to be 62 billion barrels? Do you agree in general with that assessment? How actively are you proceeding with the government, particularly the Ministry of Natural Resources, to get a peat policy in Ontario?

Mr. Rowan: I do not have enough information to agree or disagree with the calculation. I just assumed that the people who made the calculation in the Ministry of Natural Resources have the technical capability to make that conversion on a volumetric basis times the number of BTUs that are in a ton of peat. I do not think that is the issue. The issue is what you can do with the peat that is available in terms of converting it into energy at a price.

To answer your later question, because that does deal with some of the specific things that the Ontario Energy Corp. is doing, not so much with the Ministry of Natural Resources but with the Ministry of Energy, we are working with the Ministry of Energy in a combined way to evaluate the potential for liquefying and gasifying peat, lignite and those indigenous energy products. We are at the stage of engaging professional private sector firms to undertake that assessment.

Your specific question had to do with policy. The Ontario Energy Corp. is essentially a commercial organization, a vehicle of the government. We can provide insights through the experience we gain that may have some benefit in the development of policy but we are not a policy arm of the government.

Mr. Stokes: But you cannot do anything substantive until you get your policy direction.

Mr. Rowan: I think what we are getting is the beginning of a comprehensive policy through the setting up of these liquefaction and gasification assessment programs which are under way. To get at the very issue I mentioned earlier, how commercial are these deposits? If one does not have that, one really does not have anything, because you may have the resource but if you cannot convert it into a competitive energy source all you have is a resource.

Mr. Stokes: Just look at Ireland, Finland and Russia.

Mr. Kerrio: Mr. Rowan, we sort of anticipated this time restraint and we have put the questions put on the Order Paper to the minister. If we can consider you are going to give us

answers to them at some future date, would that be a fair way to do that?

There were so many things we should get into, such as Suncor. It is a shame all those good Tories left because I think some of them would have been very upset about this whole involvement. In any event, I have just one comment on something that has not been said before.

Hon. Mr. Welch: Are you making reference to those good people from Lincoln? Some are still here.

Mr. Kerrio: I wonder if philosophically they are real Conservatives.

Hon. Mr. Welch: They are great supporters.

Mr. Kerrio: They cannot support Clark then. They are going to have to make a distinct choice. It is a very difficult thing to do. Would you not be on the horns of a dilemma there, Jack, if you were caught that way?

Hon. Mr. Welch: We have no trouble.

Mr. Kerrio: Mr. Rowan, there have been many questions raised and the ones we have had on the paper that you are going to answer for us are very pertinent. I am looking forward to receiving those and then sharing them with the minister.

There is one important thing I would like to question you about now for a couple of minutes. We have prepared a graph and we are prepared to share it with you. Describing this graph, in a four-year period from 1976 to 1980—we have not drafted in for 1981—Suncor's oil and gas reserves have dropped substantially.

Conventional oil is down 37 per cent, synthetic crude oil is down 22 per cent, natural gas is down 13 per cent. If 1981 reserves were added to the graph, the downward trend would continue. As you know, the reserves are the lifeblood of the company and these reserves and the reductions of them have occurred in spite of significant exploration. I know you are going out there with your little packsack to look some more, but that is in the future. In view of those declining amounts of conventional oil, synthetic crude and natural gas, was that taken into consideration when you made this investment in Suncor?

Mr. Rowan: There are basically two questions, Mr. Kerrio. The first has to do with the declining reserves of Suncor. I think what you have really done is to graph the declining reserves Canada has of conventional oil and gas, particularly oil and not gas.

Mr. Kerrio: Particularly ones Suncor has a interest in.

Mr. Rowan: But what you have done is you have graphed as well the dilemma which Canada faces. We had, when I was first appointed, Deputy Minister of Energy, about eight billion barrels of oil from our conventional reserves. That has dropped to about five billion, which I think is indicative of the problem this country has if it does not find new reserves in the frontier.

10:30 p.m.

Mr. Kerrio: You have made my point. I would rather you had that \$650 million to go out and find more than to buy into one with declining reserves. That is the very point I wanted to make.

Mr. Rowan: I am sorry to disappoint you, sir, but the fact is that Suncor's assets in oil reserves lie in two main areas which do not relate to conventional oil and gas, particularly to oil. The first is in its tar sands operation. As you know, recently it made a commitment to spend about \$180 million to increase its reserves at the tar sands by a further 90 million barrels of oil.

Second, it has made an investment in the Fort Kent heavy oil project with some very innovative technology that will bring into production some of the heavy oil that Canada has abundant and which is not included in the conventional oil reserves that the National Energy Board currently records. That, too, will add to not only Canada's reserves but also to Suncor's reserves.

Mr. Kerrio: The real question is, did you have to buy Suncor to get on with finding more oil and gas, which the minister says is the highest priority of his government?

Mr. Rowan: I was coming to your final point and that had to do with the value of the company. What was done has been described many times, including before your own caucus in an evaluation of all parts of the Suncor operation, whether exploration and development or the refining and marketing aspects of the company, and a value was assigned to those parts. From that, a value was taken for the 20 per cent share of Suncor that the Ontario Energy Corp. purchased.

As the ministry has rightly pointed out, Canada's future lies in the frontiers, where we know there are enormous geological structures.

Mr. Kerrio: I appreciate that, but my concern

that you are going to hire Suncor. You are going to spend some of the money that we are getting for doing exploration and put it into a company of which the Americans own 75 per cent. We are going to send down to the US, again, some of that money that is going to come from the government for exploration.

Mr. Rowan: I am sorry. I do not think that is the way—

Mr. Kerrio: I guess it is not going to happen because Suncor is not going to make any money, there will not be any dividends. That is the only way it will not happen.

Mr. Rowan: One of the values of the purchase of 25 per cent of Suncor is that the company now is 99.8 per cent foreign-owned. It is now only 75 per cent foreign-owned. That, I would like to suggest, is, directionally, the right way in which Canadians would want this vital sector of our economy to go, so that Canadians are more in control of the petroleum industry.

Mr. Kerrio: I think that will do until we get the answers to the 19 questions we have listed.

Thank you. We are having a meeting here and maybe we will carry on.

Mr. Chairman: I apologize, Mr. Kerrio. We started two minutes late and I was trying to allow you an extra couple of minutes.

Do we carry vote 2006?

Mr. Kerrio: I am voting against that.

Mr. Chairman: You do not want to carry 2006?

Mr. Kerrio: I would like to vote against that, and I would like to record it.

Mr. Chairman: What you are saying is you would like a recorded vote on 2006, which you are ready to proceed with.

Mr. Kerrio: On the Ontario Energy Corp., vote 2006.

Mr. Chairman: All those in favour of carrying vote 2006?

All those opposed?

Carried.

Vote 2006 agreed to.

The committee adjourned at 10:37 p.m.

CONTENTS

Thursday, October 21, 1982

Ministry Administration Program.....	R-525
Conventional Energy Program.....	R-525
Alternative and Renewable Energy Program.....	R-532
Energy Conservation Program.....	R-534
Regulatory Affairs Program.....	R-537
Energy Supply Program.....	R-545
Adjournment.....	R-549

SPEAKERS IN THIS ISSUE

Sh, S. A. Acting Chairman (St. George PC)
 oulds, J. F. (Port Arthur NDP)
 arris, M. D. Chairman (Nipissing PC)
 erio, V. G. (Niagara Falls L)
 okes, J. E. (Lake Nipigon NDP)
 elch, Hon. R. S., Minister of Energy (Brock PC)
 illiams, J. R. (Oriole PC)



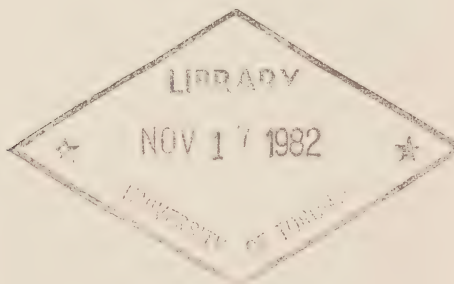
No. R-21

Ontario, LEGISLATIVE ASSEMBLY

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Resources Development
Estimates, Ministry of Energy



Second Session, Thirty-Second Parliament
Tuesday, October 26, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Information Services Branch, Ministry of Government Services, 5th Floor, 880 Bay Street, Toronto, M7A 1N8. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Tuesday, October 26, 1982

The committee met at 8:05 p.m. in committee room 228.

ESTIMATES, MINISTRY OF ENERGY (concluded)

Mr. Chairman: I call the meeting to order. While we have completed all the votes in the Ministry of Energy, we did agree to devote the session this evening to a discussion of Ontario Hydro and any questions the committee might have about the operations of Ontario Hydro. We are very pleased to have the president, chairman, vice-president and officials from Ontario Hydro here with us today. Minister, we thank you.

I will call on Mr. Macaulay, who is the chairman of Ontario Hydro, to introduce the officials with him. If there are any opening remarks you have for us, sir, they will be in order at this time. Then I suspect the committee may have one or two questions.

Mr. Macaulay: Thank you, Mr. Chairman. I would like to introduce on my right Milan Mastich, who is the president of Ontario Hydro; on my left, Arvo Niitenberg, who is executive vice-president of planning and administration; and on his left, Sam Horton, who is vice-president, design and construction.

If I may, Mr. Chairman, there are a few things we would like to make reference to.

Today we announced a 1983 bulk power rate increase averaging 8.4 per cent. The rates to municipal customers will average 8.2 per cent, to direct customers 8.5 per cent and to rural customers 8.8 per cent.

The sequence that has been followed in determining these rate levels began with our financial forecast for 1983, which was developed in late 1981. That formed the basis for our rate submission to the Ontario Energy Board. Developing the forecast this early was necessary to meet OEB hearing requirements, which stipulated that material must be filed with the board by March 9, 1982.

As you may know, we forecast an increase in our rates of 13.9 per cent at that time. Thirty-eight days of hearings were held before the energy board, at which time 13 interveners

appeared to comment on both the rate increase requirements and the cost allocation system.

After the hearing process, but before the energy board's decision, it became clear to Ontario Hydro that our 1982 revenue would be considerably less than we had anticipated, largely as a result of the reduced load growth, which reflects the current economic climate.

As less revenue in 1982 has a decided impact on our 1983 revenue requirement, we advised the Ontario Energy Board of this development. The OEB stated that this new information would not be accepted, since the interveners would not have an opportunity to cross-examine or challenge it.

However, in its report it indicated: "In the final analysis it is incumbent upon the Ontario Hydro board of directors to consider the most recent and current developments when at a much later date and with more complete data it is making its final determination as to the appropriate rate level."

As you know, the OEB recommended an increase of 8.8 per cent versus the 13.9 per cent we originally recommended. The difference in the two cost forecasts lies in four main areas.

The OEB projected Canadian and American inflation rates at two per cent and 2.5 per cent, respectively, less than those projected by Hydro. It predicted more favourable exchange rates for 1983 than we did. The board's estimation of our reactors' performance was more optimistic than our own. It predicted lower interest rates for the coming year than those included in our forecast. The board did, however, accept the estimates of load growth, export sales and the costs of operation, maintenance and administration that we included in our submission.

The board's economic forecast was more optimistic than ours, and this difference resulted in a recommended rate increase some five per cent less than Hydro's original proposal. Yet even since the board hearings, our 1983 estimates of load growth and export sales have gone down.

If we were making a forecast of our 1983 costs right now and wanted to maintain the interest coverage the OEB thinks we should have, namely, 1.24, our increase would be

closer to 13.9 per cent than to 8.8 per cent.

The OEB hearing concluded on June 30, 1982. On September 21, the government indicated it would be introducing a restraint program. Three days later, Ontario Hydro received a letter from the Minister of Energy (Mr. Welch) that said:

"It is the desire of the government that Ontario Hydro should implement increases in electricity rates in 1983 that reflect the report of the Ontario Energy Board and also take into account the limits on increases in compensation levels for the government and other public agencies and regulated bodies announced September 21, 1982."

In this year's hearings, proposals were made to change the cost allocation process and the rate structure as reviewed before the OEB for the past several years. By and large, the OEB supported the proposed changes and recommended implementation on January 1, 1983. This would have resulted in a higher average increase to direct and rural customers and a lower increase to municipalities.

The government was concerned that the implementation of these proposals at this time would produce rate changes for specific customers that would be too wide-ranging in the context of a restraint program. On October 22, Ontario Hydro received a letter from the Minister of Energy indicating that the government would like Ontario Hydro to defer the implementation of the electricity costing and pricing study recommendation.

Ontario Hydro has three megaprojects in progress: Bruce B, Pickering B and Darlington. These are major projects. They provide a great deal of employment in Ontario and will be a major benefit to the electricity users of this province, but they require substantial sums of money to finance. We at Ontario Hydro are well aware of the strain on capital availability as a result of the federal deficit, and the need to restrain provincial borrowing is clear.

One of the Hydro board's responsibilities is to safeguard Ontario Hydro's financial stability. The board also believes that Ontario Hydro should demonstrate leadership in the fight against inflation. To do this, we have introduced overtime cutbacks; a voluntary restraint program—

Mr. Kerrio: Mr. Chairman, on a point of order, please: I would like to get an idea of how long this statement is going to take, because we are very limited in our ability to question Mr. Macaulay and those people from Ontario Hydro.

I say this with the greatest respect, Mr. Macaulay. I just wondered about the length of the statement.

Mr. Macaulay: I think it will be about another five or six minutes, Mr. Chairman.

Mr. Kerrio: Thank you.

Mr. Macaulay: To do this, we have introduced overtime cutbacks; a voluntary restraint program among our lower management and professional staff (the value of contribution to date is more than \$4.5 million); a hiring freeze (basically increasing staff only in nuclear plants and reductions elsewhere; a review of all capital projects to determine where cutbacks can be made (Pickering A fuel channel replacement deferred; transformer stations deferred; Nanticoke fly ash handling reduced in a very major way, which I can describe in detail if you wish, Mr. Chairman); a stretching out of work schedules on some projects, which will save some dollars in the short term; and a reduction in our inventory levels.

We expect these measures to result in a substantial reduction in costs.

Wage increases at Hydro will be restricted to five per cent in 1983 after the first year of existing union contracts expires.

But more than 70 per cent of our costs are determined outside of Hydro. For example, fuel costs account for about 37 per cent of our costs. The average cost of coal this year is about \$65 a ton and is expected to increase to about \$71 in 1983, an increase of nine per cent.

Interest rates: Our average interest rate during 1982 has been 15 per cent. While interest rates are expected to be somewhat lower in 1983, they are still forecast to remain at relatively high levels.

Foreign exchange has a formidable impact on our costs, and we have no control over the value of the Canadian dollar.

Depreciation: When a new plant comes into service, we have to pay depreciation; during 1982, it represents about 12 per cent of our costs.

There is a limit to what we can do to control the bulk of our cost increases. Even if there were no increase in our control of costs, we still could not bring our rate increase down to within five per cent.

This 8.4 per cent average increase is a significant accomplishment. Consumers' Gas increase will total about 17 per cent in 1983, Hydro Québec had a 16.75 per cent increase in 1982 and Nova Scotia is applying for a 35 per cent increase in 1983. Yet this will be the fourth year

in a row we have had an electricity rate increase of less than the rate of inflation in Ontario.

Between 1980 and 1983, the real price of electricity has declined by seven per cent. During the same period, the price of oil has risen by 61 per cent in real dollars and natural gas has gone up by 26 per cent.

Load growth in the 1960s hovered at a constant seven per cent per year, as it had done since the Second World War, but that has changed dramatically in recent years. The latest approved forecast for load growth to the year 2000 is about three per cent annually, and currently we expect it will be somewhat less than that.

With lead times of up to 14 years to plan and place a plant in service, it was necessary to make the decision to build several years in advance. We based our estimates of future load on economic forecasts which were, in turn, based largely on what our customers said they would require. Neither they nor we—nor, for that matter, utilities and industries all over the continent—could predict the effect that the oil price hikes of the 1970s would have on energy demand. But we all have 20-20 hindsight.

During the 1960s, one of Ontario Hydro's main thrusts was to diversify its sources of generation. Lennox and Wesleyville, two oil-burning plants begun in the late 1960s, made sense at that time. When they were planned, oil was selling for less than \$3 a barrel. When it became clear that the downturn in load growth resulting from the oil crisis was not just a temporary fluctuation, we had to reassess our generation program.

Because they were at different stages of construction, it made economic sense to complete Lennox (most of the dollars had been spent or committed); but Wesleyville was at an earlier stage, and in this case it made better economic sense to write off what had been spent or committed. In retrospect, this was the best course we could take in the light of the changing energy picture.

I think this points up some of the difficulties of long-range planning, but we cannot simply moan the decisions of the past; we must learn from them. We are then better equipped to make the best decisions for the future based on where we are now, not where we would like to be.

Units at Pickering B and Bruce B are nearing completion and are planned to come into service from 1983 to 1987. Darlington units are

scheduled to come into service in the 1988-90 period.

These plants will meet Ontario's electricity needs in the most economical way. Nuclear plants are an efficient, economical means of producing electricity and one of our best weapons against acid rain.

In 1981, fuelling costs were 2.32 mills per kilowatt-hour in our nuclear plants and 21.05 mills per kilowatt-hour in our coal plants. Total costs (maintenance, depreciation, etc.) in our nuclear plants were about half the cost in our coal plants.

The performance of our nuclear plants has been outstanding. In 1981, out of the top 10 performing reactors worldwide, six of them were right here in Ontario. That is a phenomenal record. The new Pickering and Bruce units will be in the same league.

In addition, deferring completion of Pickering B or Bruce B at this time would save relatively little in the way of capital funds. It would mean the loss of benefits on the operating side. The advent of the new Pickering and Bruce units will mean cleaner, more efficient sources of generation. It will allow us more flexibility in determining how best to use older, coal-fired units at our Keith and Hearn stations, which are more than 30 years old.

Turning to Darlington, we are faced with a different set of circumstances. It has sometimes been suggested in the House that we already have considerable surplus power and that the power from Darlington will not be needed. That is simply not the case. It is true that our load growth has declined, but even at a two per cent rate of annual increase—I am using that number because it is the low end of the range of load growth forecasts by the select committee on Ontario Hydro affairs—we still need the energy that Darlington will produce in the 1990s.

Looking at it from another angle, cancellation of the Darlington project does not make economic sense. It would mean a loss of more than \$1.8 billion in construction costs already spent or committed. In a time of high unemployment, it would mean the loss of jobs. More than 1,600 are currently employed on the site, and this figure will rise to 2,600 in 1983. This does not take into account the 6,700 manufacturing jobs in Ontario that stem from the Darlington project.

8:20 p.m.

We have a need for completion of the 500,000-volt transmission lines in southwestern and eastern Ontario to run the system as effi-

ciently as we can. Through government and Ontario Hydro initiatives, there has been extensive public participation in the planning stage, and we are now embarking on the route stage. These lines are important both to take maximum economic advantage of Bruce nuclear power development and to ensure adequate security of supply for Ontario, particularly eastern Ontario. Total construction costs of the two projects when completed will be about \$1.1 billion.

Ontario Hydro has ensured that residents of eastern and southwestern Ontario were well informed about the proposed transmission facilities, and they have had every opportunity to make their opinions known to the consolidated hearings board. It was then up to the board as an independent body to come to a decision regarding the plan stage. In fact, in the southwestern hearings the board selected a plan different from the one preferred by Hydro. The same pattern of public participation will be followed when it comes to choosing a specific route.

We are continuing to pursue export sales. Last year, they reduced electricity bills in Ontario by about seven per cent. We sold about \$423 million worth of electricity to the United States and made about \$192 million in profit. This year, both our sales and margins of profit are down. In fact, the current forecast for exports over the short term is also down from original estimates. We will have to pursue this market more aggressively if we expect to continue to make these sales, and that is what we are doing.

We have just signed a \$600-million, four-year contract with Niagara Mohawk. That will not increase our sales over what we predicted, but it firms up a number of expected interruptible sales.

A plan to sell 1,000 megawatts of firm power to General Public Utilities fell through earlier this year. It would have provided substantial revenue, which in turn would have benefited the power consumers of Ontario. Instead of buying power directly from Ontario, GPU has contracted to buy power from Detroit Edison and Ohio Utilities. If, as is probable, Detroit Edison provides that power from its older and dirtier coal-burning plants, or imports it from similar plants of other utilities to the south, then acid gas emissions will be higher than if our sale had gone through.

On the subject of acid rain, I want to reassure this committee that we be will meeting the government regulation by reducing our emissions to half by 1990.

Mr. Chairman, that concludes my opening remarks.

Mr. Kerrio: Mr. Chairman, in view of the fact that we have these gentlemen from Ontario Hydro before us tonight for roughly two hours, wonder if we could enter some kind of an arrangement with the New Democratic Party and with the government as to the participation of the various parties. Could we have an allotment of time?

Mr. Chairman: Do you want it prorated to your representation on the committee?

Mr. Kerrio: Jim, do you have any ideas on this?

Mr. Foulds: I am happy as long as I get about 40 minutes of playing time this evening. I do not care whether it is at the beginning, the middle, the end or interspersed.

Mr. Kerrio: That's fair. I think we can just go on then.

Mr. Foulds: I do not particularly plan to be Wayne Gretzky and play the whole evening.

Mr. Kerrio: That's fine.

Mr. Chairman: I could allocate 40 minutes each party.

Mr. Kerrio: That is 80 minutes. We will just divide the rest. However, if your people want to participate, go ahead.

Mr. Chairman: I think we do.

Mr. Kerrio: I will give you 20 minutes; so you can sharpen your stick and go after those rascals.

Mr. Chairman: I gather you want your 40 minutes to start?

Mr. Kerrio: If you want to do it that way, sure. I would be happy to do it that way. If it is all right, we will take our 40 minutes.

Mr. J. A. Reed: Mr. Chairman, we have vested in you an awful responsibility in the allocation of time but, in fairness, that is the way it has to be. I will try to be brief.

Tonight, I would like to be able to say to the minister, "Who are you trying to kid with that statement like that?" Unfortunately, I cannot say that to the minister, because the minister has no control over what is being stated, planned, moved, activated or actuated by Ontario Hydro.

It is unfortunate, and I feel bad about it, that the chairman of Ontario Hydro has to be thrust into a political position. I have stated this many times in the past, that the good people from Ontario Hydro have found themselves in that position, through the select committee a

these estimates and by virtue of the structure of the power corporation of Ontario, of having to be put on the block rather than being able to devote their whole time to the generation of electric power at cost in the province.

In attempting to address that some years ago, I presented a private member's bill which would have amended the Energy Act to bring into focus an energy policy for the province and would have amended the Power Corporation Act to force Ontario Hydro to accept that policy. The response by the government to this point has been that there would be a memorandum of understanding signed by both the Ministry of Energy and Ontario Hydro.

We started this little bit of nonsense as far back as 1979, I think. The memorandum of understanding concerning policy and Hydro's role in the energy mosaic of Ontario has never come to pass. Yet, each succeeding minister, and I think there have been at least three ministers involved in making the public statements in the Legislature and so on, has said that a memorandum of understanding between the government and Ontario Hydro was imminent; but so far it has not happened.

As a result, this year we have a rate increase projection of 8.4 per cent. The way I read the statement from the chairman is: "Boys, we do not know how lucky we are because it could have been a heck of a lot more." Let me spend a few minutes talking about restraint because herein lies the tale of Ontario Hydro. We can talk about 8.4 being less than 35 or being less than 16 or 17 or whatever happens to be asked for currently by other utilities across the country.

The Premier (Mr. Davis) once challenged me and said, "Where can you find a comparable utility to Ontario Hydro when you are talking about comparing rates?" Of course, you cannot because there is no other utility in North America that is divided in the same way—one third coal, one third nuclear and one third hydraulic. It is very hard to do, but we can talk about restraint and we can start with capital spending.

You can talk about your restraint program, closing up the Lennox Generating Station, \$500 million of expenditure. It is a beautiful power plant. I was given a tour of it and talked to the manager. We are desperately trying to find a way to recommend an alternative fuel for that plant at Lennox. What a magnificent edifice, a magnificent structure. They signed a contract with Petrosar for heavy oil but so far the Minister of Energy has not even seen the

contract and it has cost us an admitted \$33 million for oil not taken. Presumably we are not going to be privy to the amount it is going to cost before that contract expires.

You have put capital expenditures up front to the point where it is like having two football fields for the Argos to play on: if one football field gets dirty, you can always use the other. That is exactly what has happened with the capital expenditures of Ontario Hydro. Tell us what your heavy water overproduction is going to be; tell us just how necessary Darlington is going to be; tell us why you are building the Darlington plant when an internal study tells you that at least 11 of those 17 hydraulic power plants you announced with great fanfare two or three years ago are more feasible and should be completed before Darlington.

You should relate the rate increase to the capital expenditure. I know that very often there are ways of doing your calculations, with this incredible way of accounting, so you really don't count capital expenditure very much because you are pairing off existing plants with existing plants and all that sort of thing. But tell me why you are making those judgement calls. I can suggest why you are making some of them. For the life of me, I cannot fathom why you are making others.

During the 1981 election campaign, I know Darlington was speeded up by six months: the great make-work project for a couple of ridings east of Toronto. Now, I understand from some scuttlebutt, Darlington may be put back for a period of time before its completion. Tell me why, then, you find it so necessary to run around like madmen trying to get firm power contracts in the United States if you are not so desperately overbuilt in your system.

8:30 p.m.

The whole thing does not add up. Can you tell me why, according to the information I have, your own projection for growth is 3.5 per cent to the year 1990—at least that is what I have here—and yet the Ministry of Energy forecast to the year 2000 is 2.5 per cent? Tell me why. It does not add up.

Yet, you are saying to us in Ontario, "You should be glad to accept an 8.4 per cent increase," and that it is in keeping with some sort of restraint. Well, it is. It is in keeping with your own concept of restraint. It is not in keeping with the government's concept; it is certainly not in keeping with our concept, but it is in keeping with yours.

That gets me back to the fact that in 1982 it is

even more imperative that you in Ontario Hydro know where you fit into the energy framework of this great province, and I do not believe you do. I believe you are in the position you are because the Ministry of Energy does not have an energy policy, because you do not have an agreement of understanding, and because there is no legislation to force the Energy Act to produce a policy and to force Ontario Hydro to accept it through amendments to the Power Corporation Act. I am sorry about that. I am sorry that all of these illustrious gentlemen sitting here have to take this political flak. They should not have to. It should be the Minister of Energy. That is where the buck really should stop.

It is groundhog politics. Because when it comes to ribbon cutting you can stand and bask and chop the ribbon and everybody puts the television cameras on, but when things go sour and you have to mothball heavy water plants or you have to cancel half of Wesleyville, these fellows have to take the flak for it. It is not fair. It reflects very directly in the rates that are being paid for electric power in Ontario.

You can say we have the second or third cheapest power rate in North America, and we do. We should have the lowest rates because our hydraulic system, which was bought and paid for years and years ago, is still the anchor of this industry and you know it. You know it better than I do. So there is no excuse other than the fact that these expenditures have been so incredibly high that now you have to pay for them through these kinds of rate increases.

It is like saying, "We were going to charge you a 20 per cent rate increase, but you are really lucky, you are only going to get 8.4"—or whatever it was you were going to charge; 13.5 or 16.3 or whatever. It does not matter. We cannot go on playing this game. At some point, some common sense has to enter into it. You cannot go on making judgement calls based on growth forecasts.

You talk about 20-20 vision in hindsight. I cannot agree with you more. Hindsight is always 20-20. However, the 20-20 vision began with the select committee in 1976 challenging the seven per cent increases that your utility was projecting at that time and it continued through those four years when we had your chief forecaster on the stand here and he had made a projection of six per cent. The new econometric model you had spent millions of dollars on made a projection of something like two per cent; he came

through with a projection for that following year of four per cent.

We said, "How did you arrive at that four per cent? After all, you spent the \$5 million and six years of work, or whatever it was, on the econometric model but you used the old system of phoning up the major companies and saying, 'What are you going to use next year?' and then you came in at four per cent." Do you know what his answer was? He said, "We really didn't believe it. We really didn't believe our own econometric model. Therefore, we made a judgement call."

That two per cent means millions of dollars. I believe at that time each one per cent in the system meant something like \$200 million of expenditure, if I remember correctly, although that will have escalated somewhat by now. So we are still flying blind on this whole business. The tail continues to wag the dog and that is going to continue until some political responsibility is assumed by the Ministry of Energy.

We would consider it a great advance if we had that memorandum of understanding, which was promised to the public as far back as 1979. We do not have it. The people of Ontario deserve an answer to that, and even more. I know you can come along with all this; that you have whole sets of numbers at any given time because it is a moving target. The ducks go across the shooting gallery and it changes. You can always say, and it is easy to say, with hindsight it is 20-20.

Let us understand this: You had the warnings. You had the information from the select committee at that time that said: "Wait a minute, seven per cent is not valid any more; six per cent is not valid any more; 4.4 per cent in that one year, with the new econometric model and not believing it, is not valid any more."

Yet those figures were ignored; only in subsequent years did that adaptation enter into Hydro's framework. When they finally came in, the money had been spent, the commitments had been made and the interest was being paid on Wesleyville, which was half-finished, on Petrosar contracts that were costing millions of dollars, on the heavy water plants that had to be mothballed, etc.

Where are we? We are probably 50 per cent overbuilt, and we are scrambling for some firm power contracts in order to get back a bit of revenue, because we know we made a mistake. We are producing heavy water, or have the capability to produce heavy water that far exceeds the expectations for consumption. How

long are we to shore up this economic bubble and how long can the people of Ontario afford to shore it up, especially in these years, before the air goes right out of the bubble?

I am talking about a bubble and you can talk about all the employment these construction jobs produce. You also know the corollary to that: it is a boom and bust situation. Once the plant is up and the construction is finished, you have this inflated economic bubble that collapses unless you find something else to do quickly. That is what has happened over these years. We appreciate the employment that the nuclear industry, for instance, has given to Ontario but, when it is done at the rate you have been doing it, when you succumb to the political demands of the hour, such as during the 1981 election, which speeded up the completion of Darlington, etc., you simply pave the way for disaster in the nuclear industry.

If its growth does not match your growth, the nuclear industry will commit suicide, because at some point the axe will have to fall and the thing will have to stop. The exports are not there. You are not exporting Candu reactors. You might get a few contracts to export electric power but you sure did not get one from General Public Utilities because it bought from the Detroit Edison Co.

Those things will continue to go on and all those costs, gentlemen, are reflected in this rate increase demand of 8.4 per cent. That is the unfortunate part. The people of Ontario will end up paying the shot. I am not suggesting that is necessarily the fault of Ontario Hydro. I am suggesting the Ministry of Energy and the government of Ontario have to bear the responsibility for not being answerable to the public for that kind of thing.

The only control that has ever been exacted on Ontario Hydro has been Darcy McKeough's \$6-billion cut in the growth time. I have to hand it to Darcy; that was a prophetic cut. I can remember the response of the utility at the time. We were promised brownouts and blackouts. The old scare tactics were dragged up out of the barrel and we got the shot again. You can fool some of the people all of the time and all of the people some of the time, but somewhere the cards have got to be called.

8:40 p.m.

There is only one other comment I want to make, in connection with my own vested interest—this has become what I like to think of, at least emotionally, as my vested interest—the development of the remaining hydraulic

resources in Ontario. I have here a Toronto Star article by Ross Howard, on September 5, 1982, headlined, "Hydro Blocking, Chief Energy Officials Say." Officials of various ministries said that Ontario Hydro, in many cases, is blocking the private development of hydraulic resources in the province.

The one thing we know is you are blocking your own. You made the big announcement, probably to silence the Liberal Energy critic at the time, about 2,000 megawatts of small hydraulic power at 17 cents. I remember it well.

Mr. Macaulay: Mr. Chairman, we never tried to silence the Liberal Energy critic at that time.

Mr. J. A. Reed: I was so happy with that announcement. I said, "By golly, the light has shone on the road to Damascus and all will be well at some point."

Hon. Mr. Welch: I did not read a line of commendation at that time.

Mr. J. A. Reed: I think what I said, Mr. Minister, was "seeing is believing." We have not seen any of that yet, but we do know your own internal study has recommended that 11 of those sites are very competitive.

Mr. Nastich: That is not so.

Mr. J. A. Reed: Yes. I have a copy of the study and I will send it back to you.

Mr. Nastich: Bring it right over.

Mr. J. A. Reed: We will probably have a meeting about that.

Mr. Macaulay: Let us do that, Mr. Reed, because that is categorically inaccurate.

Mr. J. A. Reed: Okay, that is fine.

Hon. Mr. Welch: That has not deterred them before.

Mr. J. A. Reed: Only time will prove whether my credibility is worth anything at all.

Mr. Kerrio: Do you know if Ontario Hydro runs them or—

Mr. J. A. Reed: Here is this article by Ross Howard in the Star. It talks about the commercial success potential of small hydro and the fact that Ontario Hydro is not paying enough for energy delivered from these installations to make it worth while. As a matter of fact, what you are paying for that power, or what you are prepared to pay, is 1.6 cents per kilowatt-hour right now and what you are prepared to pay for committed power is upwards of three cents. As I understand it, it is as high as three cents. Is that right?

Interjection.

Mr. J. A. Reed: Not as high as three cents. I wonder if you could tell us what the marginal cost is going to be of electric power coming from Darlington on \$11 billion—how much per kilowatt-hour? If your formula for paying for small hydraulic private input into the grid was related to—I am not suggesting that it be marginal cost, but I am suggesting that it be a formula related to marginal cost—you would open the road for saving many millions of dollars of investment that could be done by the private sector. You could buy power cheaper than it would cost you to build it and produce it yourselves.

It is not happening, gentlemen, and I despair sometimes that it will ever happen. I really do. Even now, I despair that some of your hydraulic plants that you have closed and want to dispose of will ever be put into the hands of the private sector which could manage them and operate them much more efficiently; plants such as Galetta.

Mr. Macaulay: Right, it is yours tomorrow.

Mr. J. A. Reed: Thanks. I will take you up on that because your president and I have had some conversations about Galetta. I have expressed some concern over the fact that the unit was shut down and is just going to sit there and rot before any private sector—

Mr. Macaulay: Would you like to deal with this hydraulic question while we are on it, Mr. Reed, or would you rather complete your comments and we will come back to it?

Mr. J. A. Reed: If you want to deal with that, that is fine.

Mr. Macaulay: I would like to ask Mr. Niitenberg to comment on the question of what we pay and why. It is appropriate at this juncture if we could do that.

Mr. Niitenberg: That article highlighted the fact that New York was paying six cents a kilowatt-hour versus what we were paying. What we are paying is an average cost in the grid. That ranges from off-peak at 1.6 cents to on-peak at up to three cents a kilowatt-hour versus the six.

One also has to relate that figure to the cost to end user. The power bill in New York City for 1,000 kilowatt-hours is \$153 per month versus our \$42 to \$46. New York will resell that power at about a nine-cent markup for transmission, transformation and distribution. We have to do the same thing for a markup of somewhere around two cents and we operate a much larger system, so there are some difficulties.

Our purchase price to sales price is reasonable. The situation would be different if one were in a situation where one had to add additional capacity, in which case an additional capacity charge would be paid, but right now we are handling privately generated power for a lot less than New York state.

Mr. J. A. Reed: Mr. Niitenberg, understanding your assessment of the value, is there then any reason the exclusivity of the sale of kilowatt-hours should not be taken away from you?

Mr. Niitenberg: For your own use?

Mr. J. A. Reed: If you cannot compete and pay a fair price for this power, why should a private entrepreneur not be able to compete with your utility in the open market and sell to his surrounding customers?

Mr. Niitenberg: I thought I had made the point that our price is fair in relation to what the consumer pays.

Mr. J. A. Reed: Then there would be no reason for you to object to that.

Mr. Macaulay: There are other utilities that sell. There is one in Gananoque and one in Sault Ste. Marie.

Mr. J. A. Reed: They are throwbacks to an age before Ontario Hydro.

Mr. Macaulay: If that covers the point, could we comment on Galetta for a moment? Mr. Reed is particularly interested in that location. It is quite an elderly hydraulic site and I would like to ask Mr. Nastich if he would comment on that, please.

Mr. Nastich: Yes, I would. Just to tag on to what Mr. Niitenberg said, the reason we cannot offer a higher price for electricity is because we do not charge as high a price as the people in New York. If you want to have New York rates, we can offer more. Two and a half times—

Mr. J. A. Reed: Then my corresponding question is, would you have any objection to having a private entrepreneur retail power—

Mr. Nastich: I personally would not.

Mr. J. A. Reed: —and try to compete or not compete as his own financial abilities dictate?

Mr. Nastich: We will see that soon at Galetta. At Galetta, we have a 0.8-megawatt or 800-kilowatt unit which is in the eastern part of the province and the facility is in very bad shape. The board decided we would not proceed to fix it up because we thought it was uneconomic.

The board said to us in line with our policy

that anything under 2,000 kilowatts would be open to private industry or to entrepreneurs such as Mr. Reed to come in and see what they could do. He called me some time in March about what we were going to do. At that time I told him we would be offering it on advertisement in July and that we would like to make a decision in October.

What happened was, in between, the staff felt there was an environmental assessment problem involved. We do not know whether we have to have an environmental assessment before we offer it or whether the proponent, who would be you, would have to do that. Mr. Reed, I sure hope it will be you.

Mr. J. A. Reed: I can answer to it here if you wish.

Mr. Nastich: We offered the Ministry of Energy the lead role in the private development of Galetta and it said "No" after some consideration. We made a final check with the Ministry of Natural Resources and it did not want to deal with it, so we have instructed the design and development people to proceed to get ready to put that out for advertising about December. The schedule is that in December we will bring out the offer for people to come in on Galetta.

8:50 p.m.

You will remember, Mr. Reed, when I talked to you about it and told you what had to be done, you felt Hydro should put some money into it because a private entrepreneur would have some difficulty without some help. Subsidy is an inherent difficulty in this and we have to look at it from a cost point of view. I think we will see that Galetta might well be a good example of the feasibility of recovering a small hydraulic site, connecting it to the system and taking on the risks of running that operation.

Mr. J. A. Reed: It is always interesting to bring bureaucracies into the decision-making process.

Mr. Kerrio: Why do you need a study if it was functioning before? I do not understand that.

Mr. Nastich: The dam is in bad shape. It is a safety issue.

Mr. Kerrio: But you are not going to change anything. Why would another study be required if it was producing electricity on the site?

Mr. Macaulay: It is like owning a 1936 Chevrolet. You have to decide whether you are going to put a new engine in it, new tires on it and new shock absorbers.

Mr. Kerrio: It is the only damned thing from the turn of the century that makes electricity.

None of your new stuff is going to last that long. I will tell you that right now.

Mr. Macaulay: God did it. There is no question about that. He provides the fuel after the Treasurer (Mr. F. S. Miller) taxes it a little.

Mr. Kerrio: Down at Niagara there is still only one way. That old hydraulic just keeps pumping out the electricity.

Mr. Nastich: Mr. Reed's point about the possibility of private enterprise or private individuals perhaps being able to handle a small project better than a large company such as Hydro is fine; let us try that. But you should recognize that when we put that out there will be an environmental assessment on it and that is not going to be just an A, B, C thing. Then you are going to have to do some considerable construction work on it. You may well find the price is much higher than you can bear.

Mr. J. A. Reed: I should relegate my comments to asking questions and perhaps not make so many comments, but let me tell you, you put a power plant in there many years ago and you raped the site. You did not do any rehabilitation work and you allowed it to deteriorate.

Mr. Macaulay: What was the date?

Mr. J. A. Reed: I do not recall just how long ago Galetta—

Mr. Macaulay: Mr. Niitenberg says 1907. I was not able to participate in that project, Mr. Reed.

Mr. J. A. Reed: In Ontario we still have to find out how long a hydraulic plant will live if it is maintained. We do not know that. We know the same thing has happened with utilities in the United States that would not pay enough for the power. The owners of those plants did not have enough funds to recapitalize or to put by for rehabilitation of civil works for that kind of thing.

With all that good information on Galetta and so on, which I appreciate, the question remains, is there a good reason why private enterprise should not compete on an open and free basis with the utility in 1982? The utilities that are operating now in Ontario predate the existence of Ontario Hydro. I am talking about the modern age and the fact you have been given exclusivity.

I am suggesting to you either pay a fair price, a commensurate price that is somehow related to your costs of new generation, or say: "Fine, go ahead. You have a market. You have a customer here." A guy wants to go into the

electroplating business or produce hydrogen or do whatever the heck he wants, why should one not sell the power and say, "We can market it to you at a price that is competitive with the utility"?"

Mr. Nastich: The concept has some appeal to me. You should consider that hydraulic plants generally do not operate at a 100 per cent capacity factor, which means there are times when they are not running. When you get your electroplating customer on your unique little plant and you run out of water at four o'clock, you are going to have a problem if you do not have an interconnection with somebody else.

Involved in all these local schemes is a dependence on somebody else to provide reserves, because if you have a problem and the unit goes down, your electroplating customer is going to be a little mad when you call him and say, "I am sorry, the fish got in the gates and I am going to be out for a couple of weeks." So it is not easy.

Mr. J. A. Reed: With respect, that becomes our problem, not yours.

Mr. Nastich: No, it certainly becomes ours.

Mr. J. A. Reed: Then you can charge a price for doing whatever you do, but do not try to knock one because of the other possibility.

Mr. Nastich: Conceptually, Mr. Reed, I have no difficulty with the idea that under 2,000 kilowatts, if somebody can take it over and sell power to anybody at a competitive rate, it seems a reasonable proposition.

Mr. J. A. Reed: I do not want to hog the time of the committee, but I do have to make the statement as emphatically as I can that your rate increase charges are the direct byproduct of the calculations, made in the past, of growth which has not materialized. They are the direct result of building plants and having to cancel them in midstream, or getting them operational and having to shut them down, or signing take-or-pay contracts on bulk oil that you will not reveal to the public. All those factors go into this 8.5 per cent.

I think that reinforces what I said at the outset, that the time has long since passed when the Minister of Energy must supply a policy for Ontario and give you a framework in which you can see your role and amend your act so you have to accept that role. The politics of the hour then would be taken out of the hands of Ontario Hydro and you would be able to get on with the business of generating power at cost for the people of Ontario. Then the minister, for the first time since 1973 when the Power Corpora-

tion Act was passed, will be truly answerable to the people of Ontario for the electric power utility.

Mr. Kerrio: Mr. Macaulay, there are a couple of pertinent questions I would like to raise. I have raised them with the minister and I would like to put them to you now.

You are a gentleman who came from the private sector. How long did it take for you to readjust your thinking to get you now as the elitist of the socialist Ontario Hydro and do the things you are doing? I ask this very seriously. I thought the mandate that was given to Ontario Hydro many years ago was to generate electricity at the cheapest possible price.

It disturbs me to look into some of the new thrusts you are talking about in your latest report. Let me share it with you now. "Instead of working merely to meet anticipated demand we are now looking at a wider role for Ontario Hydro and considering the effects of our large construction projects, our exports, our rate, and in fact all our activities can have on the social, environmental and economic life of the province."

As a person who comes from the private sector and who is now sitting on top of the biggest socialistic involvement Ontario has linking arms with Morton Shulman and some of the other Socialists in Ontario—

Mr. Macaulay: I think Mr. Shulman might object to that.

Mr. Kerrio: It is exactly the same, be honest about it. That is what you are doing. I have met some frustrated people who left the private sector and who got involved with the government because they had always wanted to do something on a grandiose scale.

I say this with the greatest sincerity. What is happening in Ontario when you can sit in your place—and you made mention of it in your earlier remarks—creating jobs and doing all these other things? I think you are usurping the role of the government. I was very disturbed to find out today in the Legislature that the Minister of Energy was not able to share with the Legislature your determinations on the new rate structure.

9 p.m.

I am very disturbed that when we go to the Ontario Energy Board the whole exercise is completely wasted and useless. You should be subject to what other companies are. We debate in the Legislature all kinds of things about the

union involvement of the work force, and they conveniently leave out Ontario Hydro.

What I am saying to you, Mr. Macaulay, is that you certainly are not competitive. Not only are you not competitive, but now you are enlarging your role and going into other areas, which was not the intent of those people who decided Ontario Hydro's role was to produce the cheapest possible power.

I say that advisedly. I hear the repetition that you supply power at cost to the people of Ontario. I am not satisfied with that. I am suggesting we want it to be supplied at the cheapest possible cost. Where in God's world are you going to find a place like Ontario that has the potential of hydraulic—I am not antinuclear, I believe we should have gone into that area; but I think your role has enlarged way beyond what was first anticipated. That is not your fault, but I want to see how you as a private enterpriser react to it; that is how you went in.

I thought that the people who ran a corporation were answerable to the stockholders. That is not your mandate. You have a board of directors and a chairman. You do not have to go beyond that to answer to anyone. You have become a second government. I know what you are nodding your head about. You have to do a little bit there that has to do with the borrowing, will buy that part, but very little else.

The argument from the Liberal Party is a very valid one. The minister should set the criteria and somehow you should fit into it. You cannot tell me you people are going to do a job in conservation or alternative energy when you are trying to sell such a tremendously overbuilt hydro system. That cannot be. You cannot serve two masters.

Do you really feel you are headed in the right direction by expanding to the degree you are, with public relations people and ads in the paper that you will supply speakers? As I said, you are becoming a government within a government. I thought it was the role of this Legislature to decide where we would put money to create jobs. I did not think that was your role.

I have a very strong feeling that is the way you are headed and it frightens me. Given the potential in Ontario, with reasonable involvement with nuclear, with major hydraulic involvement, with load management which you never even talk about—you think we are 50 per cent overinvolved now: what if we had load management and we were to run the province on an economical and efficient basis? We would be 60 per cent or more overbuilt.

I put the question to you fairly. Do you not think Ontario Hydro has gone far beyond what the original mandate intended?

Mr. Macaulay: No, I do not. It is a crown corporation with ownership vested in the crown on behalf of the people, with a mandate to produce power at the lowest long-term cost, and that is what we are trying to do.

The points of control, apart from the settling of energy policy by the government of Ontario, relate to all of those things that have to do with activities involving Ontario Hydro, which are related to construction, to investment in facilities of all kinds, to generating stations and commitments that have long-term implications.

For those very valid reasons we must receive approval from the government of Ontario to borrow any money. We cannot borrow a nickel without that. Therefore, the government, in its wisdom, decides whether it approves or does not approve.

Mr. Kerrio: That has happened one time in the history of Ontario Hydro.

Mr. Macaulay: No, sir; that happens every time we file—

Mr. Kerrio: No, I am saying you were restricted in your—

Mr. Macaulay: No. Mr. Kerrio, we do not, and I guess maybe the government does not, announce from time to time when it takes issue with projects of Ontario Hydro or when it directs certain developments. The Board of Industrial Leadership and Development program did; that was a public document. But I think it is probably no secret to you that we are under considerable constraint from the Treasurer (Mr. F. S. Miller) as to what we can borrow this year and next year.

He has to put his name on everything we borrow, every bond we issue, every line of credit we have, every nickel we borrow anywhere. We cannot do a thing unless the Treasurer and his colleagues in the executive council agree to it. We cannot enter into a contract for the sale of electricity without the approval of the executive council of the government of Ontario. We cannot acquire property without the government of Ontario.

I do not see the basis for suggesting that a crown corporation, which is owned by all the people of the province, is not adequately controlled by the government with all of those elements of control involved plus, I might add, the elements that I think were inherent in the rate announcements that were made today. I

hope the member has had an opportunity to read those and to learn of the role of the government and the interest of the Minister of Energy in the evolution of the rates that were announced today.

I think there is another part to the question of the accountability of Ontario Hydro that is relevant, and that is the degree to which there is an opportunity for everybody, through public hearings, through environmental hearings, legislative committees—there are just so many of them I cannot think of all of them—select committees, energy board hearings—

Mr. Kerrio: That does not count.

Mr. Macaulay: All of those involve public input and public opportunity to participate. Let me just quote to you from a report of the Science Council of Canada, an organization with which you may have some familiarity, "Ontario Hydro can legitimately claim to place greater emphasis on assessment than any other corporation of similar size and allows for greater public input than any other Canadian company." As a matter of fact—

Mr. Kerrio: Mr. Macaulay, you mentioned the Ontario Energy Board. Do not slide over that so quickly. The Ontario Energy Board does not—

Mr. Macaulay: I am not sliding over it. I would be delighted to talk about the energy board.

Mr. Kerrio: The Ontario Energy Board plays no part in setting your rates.

Mr. Macaulay: I beg your pardon, but please—

Mr. Kerrio: Yes, explain that to me. You come back and set your own rates after you have made your presentation, heard everything—

An hon. member: And weighed the politics.

Mr. Kerrio: And weighed all the politics of it. Let's face it, you are like a hanging judge. You give him a fair trial, but you have already decided you are going to hang him.

Mr. Macaulay: Can we respond to that observation?

Mr. Kerrio: Just a minute. You do not understand how the Ontario Energy Board functions? No, you do not.

Mr. Nastich: Mr. Kerrio, would you like to hear some data, or would it cause you problems?

Mr. Kerrio: I will ask the question simply—

Mr. Macaulay: You have already asked us; let us respond to it, will you?

Mr. Kerrio: Are you subject to the Ontario Energy Board determination of what your rates should be?

Mr. Macaulay: Okay, now we will respond may we?

Mr. Kerrio: Fine.

Mr. Macaulay: Thank you.

Mr. Nastich: The Ontario Energy Board has a review responsibility—that is, it reviews our rates. The rates are set by the Ontario Hydro board of directors under the act. Let me give you the history.

In 1976, the Ontario Energy Board recommended 27 per cent; the Hydro board, after a select committee, adopted 22 per cent. In 1977 the Ontario Energy Board recommended 30 per cent; the Hydro board implemented 30 per cent. In 1978, the Ontario Energy Board recommended 9.8 per cent; the Hydro board arrogantly put it down to 9.5 per cent. In 1979 the energy board said 9.8 per cent; the Hydro board approved 9.8 per cent.

In 1980, the energy board recommended 8 per cent; the Hydro board implemented 8.3 per cent. In 1981, the Ontario Energy Board recommended 9.4 per cent; the Hydro board implemented 9.4 per cent. In 1982, the energy board recommended 6.5 per cent; the Hydro board implemented 9.6 per cent, but the difference was because of the legislation that the government of Ontario passed, which requires a rural differential.

In 1983, the OAB recommended 8.8 per cent and the Hydro board implemented 8.4 per cent taking into account the direction of the Minister of Energy. Mr. Kerrio, I have to say that this is paying a lot of heed to what the energy board has said.

9:10 p.m.

Mr. Kerrio: You have only confirmed what I said, that you are not subject to what they have to say at any time, whether it be lower or higher. The law says you are not subject. Is that fair? That is right?

Mr. Macaulay: We are not here to argue about the law. The law says Ontario Hydro board of directors has accountability and responsibility for the day-to-day operation of the utility and for setting its rates. That is quite correct. That is the question.

Mr. Kerrio: Exactly. That is all I said. I say it is a futile exercise to go to the Ontario Energy Board. Why do you go?

Mr. Macaulay: Would you direct that suggestion to the Minister of Energy?

Hon. Mr. Welch: Section 37 of the Ontario Energy Board Act is the reason.

Mr. Kerrio: Oh, it is to fulfil some sort of obligation, but it does not perform any reasonable function.

All right. I have one more comment. How am I doing for time? Have I used up my 40 minutes?

Mr. Chairman: You are slightly over. If you have a quick question, I think we can fit it in.

Mr. Kerrio: I have a quick question.

Mr. Macaulay: Could I just ask Mr. Kerrio if he would like us not to participate in that procedure with the energy board, in that rate review process, in the public hearings that take place and the opportunity for interveners to represent the public?

Mr. Kerrio: I would be happy if you stayed home. The way the thing operates—

Mr. Macaulay: That was not my question. My question is whether you would like Hydro not to participate in that process and to deny the interveners the opportunity to present their point of view with respect to the rates?

Mr. J. A. Reed: So long as you had the agreement of understanding.

Mr. Kerrio: Yes. On the basis of the way it functions now, what is the point?

Mr. Macaulay: I do not think that view would be shared by a wide range of interveners and certainly not by a lot of lawyers in Ontario.

Mr. Kerrio: You are wasting your time. Since January 26, 1981, when Dr. Parrott and Mr. Macaulay first announced the Hydro acid gas control program, the people of Ontario were told time after time in letters and speeches by you, Mr. Macaulay, and even in the throne speech that Hydro would be designing and retrofitting scrubbers on two 500-megawatt coal-fired generating units. Given that Hydro is now scrapping this commitment indefinitely, I wonder—

Mr. Macaulay: No, sir, that is not accurate.

Mr. Kerrio: Oh, you are going ahead with them now?

Mr. Macaulay: No, sir; we have not committed the time when scrubbers will be built, because we do not know when we will need them.

Mr. Kerrio: But the fact of the matter is that we have a very serious problem as it relates to our American friends who are accusing us up

here; we should be making sure we fight the acid rain problem, but we could not get your Hydro to agree to put scrubbers on the Nanticoke plant. Someone was suggesting to us because of the overall reduction that you were meeting the criteria, but I say to you with the greatest respect that it would be very difficult to make the argument to those people in Washington that we were meeting our commitments when we were going to generate power at a station without any scrubbers and send that power into the United States. That was a valid thing that happened, and is that not what was going to happen with the General Public Utilities power?

Mr. Macaulay: May I respond to that, or have we run out of time now?

Mr. Chairman: It's fine. We have the time to respond.

Mr. Macaulay: Mr. Kerrio, I think you have absorbed an argument that has been advanced by those in the United States who are less anxious than you and I are to see this problem solved. You and I and every other electricity buyer in Ontario were going to spend several hundred million dollars—are starting to spend them now and over the next several years—to alleviate that problem in Ontario when in fact, as you probably know, something like two to four per cent of the depositions in the sensitive areas of Ontario that cannot buffer the acid rain come from Ontario Hydro. Nobody is saying that is a good thing, but on the other hand I would call to your attention that the commitment Ontario Hydro has made is unmatched in North America by any other utility.

What you are talking about is not new construction. What you are talking about is the legislation in the United States that requires scrubbers on new plants. You are talking about retrofitting it on old plants. Do you know what a scrubber is, Mr. Kerrio? It is something that is immense in size. You cannot go down to the hardware store and stick it on a stack; you have to spend hundreds of millions of dollars.

Mr. Kerrio: I am very familiar with them. Our genius went to the United States to get good scrubbers, I know that.

Mr. Macaulay: Our coal plants operate at about 35 per cent capacity. Do you not think we are better off spending that money in such a way as to (a) get our nuclear plants in place, because there are no acid gas emissions; (b) buy the lowest-sulphur coal we can afford to buy to diminish the emissions; (c) blend low-sulphur coal with the other coals we need to use for the

existing plants we have and to do everything possible in that way to reduce our emissions, small though they may be? Because if you swallow the argument that we are destroying Canada's—

Mr. Kerrio: Credibility?

Mr. Macaulay: —effect in the United States, then you are a contributor to an argument that I think is a lot of nonsense.

There is also an argument there that we are part of a conspiracy to saddle American utilities with so much cost in dealing with acid rain that we will step into the breach with our exports.

Mr. Kerrio: We are doing it with nuclear power, and we are going to be left with that waste here.

Mr. Macaulay: Well, let's talk about acid rain for a moment.

Mr. Kerrio: One ties in with the other. You mentioned nuclear, not I.

Mr. Macaulay: You and I are spending a whole lot of money on that problem, and we are making a bigger commitment in this utility—you and I, and all the rest of us in Ontario—than any other utility in North America. I think it is just not fair to the people of Ontario to argue that we must also retrofit, spend more hundreds of million dollars on plants that we use only part-time—less than half the time—to retrofit these plants, which have a predictable life history and out of which we are not going to get all the value, when we are making a contribution to reducing that is unmatched elsewhere and when the contribution in Ontario is as tiny as it is.

You could shut down every one of our coal plants and if you had a needle to calibrate the amount of acid gas flying over this building right now, you would not even see the needle move.

Mr. Kerrio: Mr. Macaulay, the concern I have is not about retrofitting an existing plant, basically. We are talking about a plant that was going to sell power to the United States, a new contract with a new cable. I am suggesting that we would have been badly advised to sell power under a new contract without scrubbers on the plant that was generating the electricity.

Mr. Macaulay: We sell out of the grid; I think Mr. Reed can quite readily—

Mr. Kerrio: I appreciate that, but basically that was going to generate—

Mr. J. A. Reed: The minister suggested that coal plant would be—

Mr. Kerrio: —would be dedicated to that export.

Mr. J. A. Reed: Well, I guess he was wrong.

Mr. Kerrio: Thank you, Mr. Chairman.

Mr. Macaulay: Thank you, Mr. Kerrio. If time permits, maybe you and I could have a cup of coffee later on and talk about this.

Mr. Kerrio: I would appreciate that very much.

Mr. Foulds: Frankly, Mr. Chairman of Ontario Hydro, I am surprised the minister did not challenge you on at least one statement you made, that Consumers' Gas rates were going up by 17 per cent. Every time I have raised that in the House, he has vigorously denied that this was the effective rate of increase for Consumers' Gas.

Mr. Macaulay: Can I just make a comment, Mr. Foulds? Ontario Hydro makes one proposal a year on rates, and it covers all of our generation, transmission and distribution. The gas retailers, as you know, have only the end part of that process and must contend with the rate increases of those who transmit to them. They do it, I believe, not annually; so it is a little difficult to compare. Nevertheless, there are those components in their rates.

Mr. Foulds: I understand that, but I am surprised you were so daring as to use the 17 per cent figure I have been using the past few days.

Mr. Macaulay: Just further evidence that Ontario Hydro is not necessarily reading the script prepared by the Minister of Energy, I guess.

Mr. Foulds: I am sorry I did not have a copy of your text ahead of time, but you can correct me if I am wrong. I got three main things out of your statement: (1) that Ontario Hydro is in some financial trouble, some corporate trouble, some financing trouble; (2) that you are committed to export contracts; and (3) that you are committed to the completion of Bruce, Pickering and Darlington. Is that fair comment?

Mr. Macaulay: Well, the second two are accurate. The first is your choice of words, not ours. Milan, do you want to respond to that first one?

Mr. Nastich: The situation for Ontario Hydro in 1982 and 1983, as we see it, is that revenues will be less than we had forecast, and that means the net income will be less than we had forecast. It is not financial trouble in the sense that we cannot pay the bills. What it does mean is that we find our financial indicators, our debt-equity ratio

and interest coverage, worsening, which means that in the short run the program we have is going to require more borrowing.

9:20 p.m.

Mr. Foulds: When do the consumers of Ontario have to pick up that cost to re-establish a proper ratio?

Mr. Nastich: That would be done, to the extent it is possible, over many years. Throughout the hearings with the Ontario Energy Board since 1974, the big concern of the energy board, ourselves and the government has been what kind of financial targets of integrity we should have. That has been the discussion.

We have set a target that the interest coverage should be 1.35 and that the debt-equity ratio should approach 80 per cent debt and roughly 20 per cent equity; which comes out of a net income. We have had very great difficulty throughout that period, because there has been no year since 1974 which has not been a bad year in some way. So the tendency is to say, "Let's not do it this year; let's do it next year."

We have followed the energy board recommendations, as I showed Mr. Kerrio, quite religiously throughout that period, and we would hope that we could re-establish our financial strength in four or five years. But that again depends, each year, on the Ontario Energy Board determinations and on the economic conditions, that is the kind of revenues we are going to get; so it is no longer possible for me to set a target that this will be established by a certain date.

What I have to do, and what the corporation has to do, is to proceed year by year and look at the circumstances, before the energy board uses its wisdom and the guidance of the staff and the interveners to come to some sort of a decision as to what the rates will be for that coming year.

Mr. Foulds: But, in effect, Ontario Hydro and the consumers of electricity in Ontario are living, if I caught your phrase correctly, year by year.

Mr. Nastich: The rates are set year by year, yes.

Mr. Foulds: What about the long-term debt, which I understand is something around \$14 billion?

Mr. Nastich: Yes.

Mr. Foulds: How much does the expansion of our nuclear program impact on that long-term debt?

Mr. Nastich: It is a very major part of it. The construction program Hydro now has on is to build 8,500 megawatts of nuclear power up to about 1991-92. There is a small coal component up in Atikokan, of which you are aware.

Mr. Foulds: Right; 355 megawatts.

Mr. Nastich: I would like to put this issue of debt in some perspective. To say debt is bad is an incomplete statement. It depends on what the debt is used for. I will give you an example.

We built Pickering generating station in 1968-72. It cost \$600 million, roughly. We borrowed 80 per cent of that, or \$480 million. Since that time, that plant has been producing power. The total cost of electricity out of Pickering is less than the coal cost at Lambton, and money was borrowed for 30 years at 6.5 to 7.5 per cent. I would have to say that is a damned good debt. It is the same as a mortgage on a house.

I say the same thing for Pickering B, Bruce B and Darlington B. We have had much discussion about the high cost of Darlington. The cost per kilowatt at Darlington in 1981 dollars is very close to the cost per kilowatt of Bruce B in 1981 dollars. All those extra costs that you see forecast ahead are the results of inflation and interest. They have very little to do with the dollars that are put in there for man-hours of work. So Darlington is an economic plant.

Mr. Foulds: That is, provided we need the power.

Mr. Nastich: We do need the power.

The other point I would like to make is that we do not build Darlington only to meet capacity needs; we also do it to reduce the cost of power and, secondly, to displace older, coal-fired plants—in the same way that a corporation with many business plants puts out of service its old plants to put into service new plants.

Darlington will be used, Bruce B will be used and Pickering B will be used. What we will likely not use as much are our coal-fired plants, and to me that is a darned good objective.

Mr. Foulds: Can you explain to me how, and by how much, Darlington will reduce the cost of power to the people of Ontario?

Mr. Nastich: It is cheaper than coal.

Mr. Foulds: That is not my question.

Mr. Nastich: I would have to give you an economic study which takes in—

Mr. Foulds: My question is, I understand your present long-term debt is something around \$14 billion.

Mr. Nastich: That is right.

Mr. Foulds: I assume that when Darlington comes on stream, you will add the cost of Darlington to your long-term debt. The cost of Darlington is around \$10 billion; so with that one plant you will be doubling your long-term debt.

Mr. Macaulay: No. Without spending much time on balance sheets, we will have the asset size increased proportionately. When Milan Nastich talks about approximately \$14 billion in debt, keep in mind that the balance sheet currently shows some \$18 billion or \$19 billion worth of assets.

Mr. Foulds: That's a difference of about \$4 billion.

Mr. Macaulay: Sure, \$4 billion or \$5 billion. You and I have a share of that as citizens of Ontario.

Furthermore, as Mr. Reed so accurately pointed out—and, unfortunately, he's not here and will miss this accolade that I want to extend to him—a lot of the old plants written off and still producing electricity are not even on the balance sheet. If we go back and reappraise that and our existing plant and equipment, poles and transmission lines and so on, that \$18 billion or \$19 billion might be \$50 billion.

Mr. Foulds: It might be.

Mr. Macaulay: It probably would be.

Mr. Foulds: You have no way of demonstrating that. Can you tell me where you hope to use the power that is excess in the system now, where you hope to use 4,000 megawatts of power that are coming on with Bruce B and Pickering B, and where you plan to use the power that is coming on, the roughly 4,000 megawatts, from Darlington?

Mr. Nastich: The load growth we are projecting is somewhere under three per cent a year, two or three per cent, which is very consistent with what the select committee talked about. If you will remember, their studies and analyses say that Hydro should do its planning on the basis of a two to three per cent load growth. If you take that into account and move through the period, you find that using Pickering B and Bruce B in that period—Darlington doesn't come in until 1990—you are cutting down on your coal consumption.

Mr. Foulds: Correct me if I am wrong, but did I not understand correctly that the response Hydro gave to the counsel for the Ontario Energy Board was that when Bruce B and Pickering B kick into the system you are going

to have to ask for a rate increase that cumulatively amounts to 54 per cent? I don't see how that's a saving or a reduction of rates.

Mr. Macaulay: The first observation isn't accurate; so we could proceed from that point.

Mr. Foulds: What would the accurate figure be?

Mr. Nastich: What we have to do when we proceed to the energy board is not only to indicate what we think the costs are going to be for the year we are asking for the rate increase but also to give a cost projection for the year following. So when we appeared we had to say we think these are the costs for 1983 and what we thought the costs would be in 1984 and 1985.

Those are cost projections because, as I told you, it's very difficult nowadays to be sure about economic conditions, load growth and so on. There are a lot of factors. We did show that the cost projections went as they were and the capital program went as it was, the costs would increase that much. That didn't necessarily mean the rates would increase that much because, as the energy board has suggested to us, there are things you can do about smoothing the lumps of cost.

You are correct; when we put in Bruce A and Pickering, large units, the depreciation and the interest of those plants hit the system. That's true in every utility, and that's one of the reasons most of the large utilities in North America and Europe are facing these kinds of rate increases.

This is not unique to Ontario Hydro. The thing we have going for us is that we are moving to a very heavy dependence on home-grown energy in this province, which is a great objective. It means that by 1990, roughly 80 per cent of our total electricity will be generated by sources endemic and natural to this province: uranium and water.

Mr. Foulds: Electrical energy.

Mr. Nastich: Electrical energy, yes.

Mr. Macaulay: It would be nice if it were all energy, but I guess it won't be.

Mr. Foulds: Am I correct that the growth rate this year, as of the end of September, was 0.5 per cent?

Mr. Nastich: It is around one per cent, yes.

Mr. Foulds: Yet you are still continuing to predict a growth rate of 3.1?

9:30 p.m.

Mr. Macaulay: Surely you are not asking that the 20-year projections, predictions and cor-

mitments on capital investment are going to be made on six-month cycles? A third of the industrial capacity of Canada is idle at the moment. Do you want projections made on that assumption? You are not suggesting that we are going to have a third of our industrial capacity idle from now until the end of the century?

Mr. Foulds: I would certainly hope not.

Mr. Macaulay: So would I.

Mr. Foulds: But, as I understand it, the actual growth in 1979 was 2.9 per cent and Ontario Hydro predicted 4.6 per cent; in 1980, the actual growth was 2.1 per cent and Hydro predicted 3.4 per cent; in 1981, the actual growth was 1.5 per cent and Hydro predicted 3.1 per cent.

Mr. Macaulay: Are you talking peak or energy?

Mr. Foulds: Percentage.

Mr. Macaulay: Demand or energy?

Mr. Foulds: Demand. I am sorry; your load forecast.

Mr. Macaulay: I am sorry; I am not making myself clear. Demand is the peak at any given time. Energy is the amount of throughput. Which percentages are you using?

Mr. Foulds: The load, the peak demand.

Mr. Nastich: Mr. Foulds, an interesting thing that happened to us this year was that in the first four months of this year we had very high energy demands. Part of that was due to the very cold weather we had. We had the highest peak in our history on January 12 of this year; it was 5.5 per cent above the peak last year.

When the cold weather disappeared, June and July were relatively mild—not hot enough for air conditioning—and the difficulties in the industry sector showed up; that is when the loads, the demand and energy, dropped off.

For example, Inco takes 210,000 kilowatts a day when it is operating. It is now taking less than 30,000 kilowatts a day. You can ask, "What are you going to do with that surplus power?" I do not know, but I will tell you this much: If Inco comes back to operate at 210,000 kilowatts, it is going to want to be able to turn those switches on. So this reserve capacity, which we sometimes sneer at, is something that either comes out of overforecasting, which we have done in the past, or it comes from very unusual situations in the economy.

I think we should be very thankful that we are in a position where, if the industrial operations come back, we will be able to supply that

electricity with good, acid-gas-free type of plants.

Mr. Foulds: That is taking aside all the arguments about what we are going to do with the nuclear waste. Let us leave those aside for now. Can you tell me whether Hydro has done any projections on the impact Darlington will have on the rates in 1990?

Mr. Nastich: We have done long-range forecasts. To do that with any sense of security is very hard, because it depends on the range of load forecast you are prepared to estimate. You will recall from the select committee that even there you had to work on bands. You could not say it was going to be 2.8 per cent; you had to say it was a range. Once you get those kind of ranges, what answer you get in the 1990s is very tenuous.

Mr. Foulds: You just have a ball-park figure.

Mr. Nastich: What we do is we look at it from an engineering economics point of view. We say, what is the economic cost of Darlington as compared to its best alternative? Then we take the present value of that and bring it back and say, what is the cost per kilowatt-hour going to be out of that plant as compared to its best alternative, which is coal-fired?

Mr. Macaulay: We have done that.

Mr. Foulds: Do you do any studies that indicate the impact of bringing on a megaproject—which is what you have termed Darlington—in terms of your debt ratio or your overall long-term debt?

Mr. Nastich: Yes, we do look at it over the period, say, of the late 1980s. I do not have the figures here.

Mr. Foulds: That gets me to today's statement about the rates. Did the board and did you as an corporate structure give any serious thought to relieving yourselves of some future incurring of expenses by either prolonging or postponing or cancelling any of your nuclear program?

Mr. Macaulay: We have a review of all expenditures under way in the organization.

Mr. Foulds: That is the one you mentioned in your speech.

Mr. Macaulay: Yes. The bigger the expenditure, the bigger the review, I guess. Nevertheless, that process is going on in both sides of our use of money: the capital side, where the Treasurer of Ontario is indicating some considerable stringency about the availability of capital over the next three years; and on the expense

side, the operation side, where we are attempting to economize in every practical way.

Those reviews cover everything in the capital way, be they transmission lines, distribution lines, transformer stations, generating stations or whatever.

As a matter of interest, perhaps Arvo could comment on the new release expense in the past eight to 10 months.

Mr. Niitenberg: The new releases from our capital program are running about one third of what was projected.

Mr. Foulds: I am sorry; I did not get the first part of your sentence.

Mr. Niitenberg: They are running at about a third of the expectations of releases because of the much more stringent review, particularly of transformer station projects, such as some enhancements on the capital side. One that Mr. Macaulay mentioned was the upgrading of the Naticoke fly ash handling system. We are also reviewing the committed program, which is the generation program and which involves the three megaprojects and the majority of our dollars.

Mr. Foulds: This may be an unfair question but if you decided to cancel Darlington at a cost of what—\$1.4 billion, did you say, Mr. Macaulay, if you cancelled it now?

Mr. Macaulay: About \$1.2 billion.

Mr. Foulds: What impact would that have on your cash requirements? Would that relieve some of the pressure on you?

Mr. Nastich: I can answer that. In the period 1983 to 1985 it might increase the charges to our rates by about \$600 million. In the period—

Mr. Foulds: That is going ahead with the project.

Mr. Nastich: No, that is cancelling.

Mr. Foulds: That is cancellation costs.

Mr. Nastich: You asked the question.

Mr. Foulds: Yes.

Mr. Nastich: To cancel it, what you really do is you have \$1.2 billion that you have to swallow some way. In the period 1983 to 1985 you would have an increase in charges; your rates would go up by \$600 million. In the period 1986 to 1990, you would have a \$2.7-billion decrease because you do not have the plant there.

Mr. Foulds: Right.

Mr. Nastich: There would be significant deterioration in the financial soundness. You have taken \$1.2 billion out of equity. You have a

dead equity and you have written it off when you cancel that \$1.2 billion. That has to come out of your ownership of your house. It is like building a house when you have it halfway up; you put the money up and you write it off—

Mr. Foulds: It is actually about a 10th of the way up in the ratio of expenditure. You have spent \$1.2 billion and you are going to spend \$10.2 billion.

Mr. Macaulay: You are talking about escalated dollars and you are talking about the cost of heavy water at a plant. You are talking about it over 10 years. You are talking about apples and oranges.

Mr. Foulds: I thought I was talking about money.

Mr. Macaulay: When you talk about it as representing a 10th of the cost, it is substantially more than that.

Mr. Nastich: I think we should always remember that when we talk about the plant costing \$8 billion, the rest of it is heavy water. You are talking about dollars in 1990, 1989 and 1988. There is an inflation rate built in. Those dollars are getting smaller every year; so they look like a huge amount.

If you put it in present value, thinking of today's dollar, Darlington and Bruce cost the same. That is the point. Do you follow me?

Mr. Foulds: It sounds like an accounting procedure rather than a financial one.

Mr. Nastich: No, it is not. It is a straight economic—

Mr. Kerrio: Tell that to someone on a fixed income.

Mr. Nastich: It is an economic comparison.

Mr. Foulds: What you seem to be telling me is that it is going to cost the consumers more if we cancel it and that it is going to cost us less between 1985 to 1990 if we proceed with it.

9:40 p.m.

Mr. Nastich: That is what you would decrease because of the fact that you do not have the plant on the system. Those dollars are no longer going to be spent. Follow me?

Mr. Foulds: Forgive me, but I guess that is one of the frustrations as a layman dealing with Ontario Hydro. It is one of the frustrations hinted at by the Ontario Energy Board, because it does not really get to examine the capital expansion side of Hydro when it has the mandate to set the bulk rates. Obviously, the capital

expansion side of Hydro has some impact on the bulk rates.

Mr. Macaulay: The reference, if I recall correctly, was to the possibility of the Ontario Energy Board reviewing the system expansion program. I think it is probably relevant to point out that was reviewed by the select committee, and there have been no commitments to generation since that time.

Mr. Kerrio: Have you not heard that you put us out of business on March 19?

Mr. Foulds: Hold on. As I recall, the Ontario Energy Board reviewed the capital expansion program in 1976.

Mr. Nastich: In 1974.

Mr. Foulds: In 1974, and they made their report in 1976. Was that it?

Mr. Nastich: The energy board hearings started for Ontario Hydro in January 1974. That was when the system expansion hearings took place. They were held from January to March. The rate hearings took place later on. The 1976 that Mr. Niitenberg refers to is the select committee, which is another group which looked at the system expansion also.

By the way, the program that the select committee then looked at is the same one we have now. It includes Bruce and Pickering. There have been no new commitments since that time.

Mr. Foulds: But there has been a moving target. Economic circumstances, load forecast, etc., have changed.

This may not be a fair question, but I will ask it anyway.

Mr. Macaulay: You would never ask an unfair question.

Mr. Foulds: The Ontario Energy Board, I think, has displayed particular expertise and competence when reviewing both Hydro rates and natural gas rates.

Mr. Macaulay: I think they do a very conscientious job. I do not always agree with them.

Mr. Foulds: Would they be capable, in your view, of reviewing your capital expansion program with competence?

Mr. Macaulay: I think that is for the minister to determine. We never charge them with their responsibilities, or give them instructions. I think you probably know the process, Mr. Foulds. We normally propose to the Minister of Energy by April 30 each year, what our rates will be in the succeeding year because the law requires us to provide eight months' notice. Last

year was different. The minister then communicates to the energy board indicating what he wants them to do with that proposal in terms of the various things that he wishes applied in terms of criteria. I think I would have to pass on that question. I am not really in a position to offer you advice as to what the energy board can or cannot do, should or should not do.

Mr. Foulds: Could I ask you about your experience before the select committee on Ontario Hydro affairs? Do you feel that the committee, by and large, dealt with the problems of Ontario Hydro with some knowledge and some usefulness?

Mr. Macaulay: I think that with all the things that have gone on over the last several years: select committees, legislative committees, royal commissions and the energy board, everything that could be looked at in Ontario Hydro has been looked at reasonably adequately. They have been divided among all of those various agencies.

Mr. Foulds: It has always troubled me as a member of the late, lamented select committee that when all was said and done, after we had finished, I am not sure that we had any real impact except during the time that we were conducting the hearings, in having the feeling for the Legislature, and having the feeling for the people of Ontario, that we were getting an openness from Hydro.

I do not know whether that is a valid perception, but it is a perception. I think that it is a perception that is generally shared by the public. So when Hydro comes in with a rate increase today, and the government is saying that you should have a five per cent restraint on wages, the people say: "Where the hell are these guys coming from?"

Mr. Macaulay: That view is appropriate for an opposition member to express. But I would suggest to you that the utility feels that every aspect of its operation is examined pretty carefully. Were you here when I read the quote from the Science Council of Canada?

Mr. Foulds: Yes.

Mr. Macaulay: I think you would agree it has no particular vested interest as to how well or not well Ontario Hydro's affairs are disclosed to the people of the province. I think that is pretty representative of the degree of information that is available about the utility.

We work pretty hard at it, Mr. Foulds. I agree we do not do it as well as we should, but we work pretty hard at attempting to make people aware

of what is going on in their utility because it is their utility.

Mr. Foulds: Do you feel one evening before this committee is an adequate review of your affairs?

Mr. Macaulay: We invited you to come to the Ontario Energy Board. There were 37 or 39 days of hearings. Did you go to any of those?

Mr. Foulds: No, I did not.

Mr. Macaulay: Do you not think it might have been a good idea?

Mr. Foulds: I think it would have been a good idea. It happened to be the only five weeks of my life I have had at home with my family in the last 11 years as a member of the Legislature.

Mr. Macaulay: My wife has taken to leaving mail for me in the hall so I will get—

Mr. Foulds: I guess I do not want to get to that stage in my relationships.

Mr. Kerrio: My God, these socialistic organizations are dedicated, are they not?

Mr. Macaulay: It never used to be that way in capitalism.

Mr. Foulds: Mr. Chairman, I would like to make the following motion:

I move that this committee in its report to the Legislature on the estimates of the Ministry of Energy include the following recommendation for adoption by the Legislature.

The resources development committee recommends as follows:

A. That the following matters be referred to the Ontario Energy Board for study:

(1) The entire construction and expansion program of Ontario Hydro, including in particular the escalated cost of the Darlington nuclear station;

(2) The load forecasting of Ontario Hydro;

(3) Ontario Hydro's methods of financing its expansion program;

(4) That the Ontario Energy Board present an interim, if not a final, report to the minister in the Legislature no later than March 1, 1983; and

(5) That the Ontario Energy Board conduct its study along the lines of the recommendation of the Ontario Energy Board's 1976 report on Hydro, namely: "The board is recommending a series of public hearings by itself and any appropriate inquiries by other agencies which will examine, among other matters, the efficiency and productivity of the organization, the validity of medium-term system expansion plans in terms of realistically required reserves and economic investment choices; the financial

policy in general and pricing policy in particular; the economic and social role Ontario Hydro does and should play in the province; and the environmental impact and social costs of Ontario Hydro."

The quote is taken from Ontario Hydro Bulk Power Rates for 1976, part II of the OEB report of February 4, 1976, page 179.

B. That a standing committee on energy be established immediately to which the government agencies in the energy field, such as Ontario Hydro, the Ontario Energy Board, the Ontario Energy Corp. and its subsidiaries, would make an annual report and appearance, thus making these agencies accountable to the Legislature as well as the government.

C. That the Minister of Energy refer the Hydro bulk rate increase announced today to the newly established or proposed standing committee on energy for examination and recommendation.

Mr. Kerrio: Is that a motion or a proclamation?

Mr. Foulds: If I could briefly speak on that.

Mr. Kerrio: Could you repeat that, please?

Mr. Foulds: I can give you a copy.

Mr. Chairman: Let me say this; I am not cutting you off yet. You have introduced a fairly lengthy motion. You also ask that I try to divide the time today with the gentlemen here from Hydro as evenly as we can. I think I have an obligation to the committee to carry out that request as well. You are looking at approximately five minutes of time. Do you wish to debate the motion in that time?

Mr. J. A. Reed: Mr. Chairman, on a point of order: The motion has been made and, therefore, the interested people should speak on the motion.

Mr. Chairman: I have not accepted the motion yet. The motion was read. I have to hear it before I accept it. Now I have a chance to look at it. I am throwing this out to you with as much fairness as I can. Do you wish to deal with this motion in the next four minutes? We also made a commitment as to how we would divide up the time tonight.

Mr. J. A. Reed: We could table it until tomorrow morning.

Mr. Foulds: We could debate it in four minutes and then postpone the vote until later this evening or tomorrow morning.

Mr. Chairman: I am not sure the vote takes the time; it is usually the debate that takes the time.

Mr. Foulds: I am quite happy to debate it tomorrow morning.

Mr. Kerrio: These estimates are finished at 10:30 p.m.
10:50 p.m.

Mr. J. A. Reed: Yes, but the committee has the power to order its own business. We could order the business the way we want it. Perhaps the member would be agreeable to presenting the motion tomorrow morning.

Mr. Foulds: I have presented it. I do not think it has been ruled out of order. If there is a motion to table it until tomorrow morning, I would accept that.

Mr. Chairman: One of the difficulties you are going to get into is debate on how to handle the motion, which from my limited experience here could easily take us to 10:30 p.m.

Mr. Kerrio: That's right. We are finishing at 10:30.

Mr. J. A. Reed: If that is the case, let us get on with it.

Mr. Chairman: We are here to deal with the estimates of the Ministry of Energy. I have been wrong before, but I think the motion is probably in order. If you wish to speak to it, go ahead. I will remind you we have a commitment to provide some time to some members to question these people.

Mr. Sweeney: Go with as much time as you have.

Mr. Foulds: The reason I would like the Ontario Energy Board to look at the capital expansion program and the other items I have mentioned is there is this feeling that the capital expansion program has a considerable impact on the bulk power rates. I have the feeling, and I believe others do, that this is an area that is never adequately, and cannot be adequately examined in the annual submission about the bulk power rates.

I think the Ontario Energy Board could do an expeditious job. It would not be a prolonged study in the way of a royal commission and it would not repeat the work that has already been done by the select committee. The technical expertise that is available to the Ontario Energy Board means it could cut through a lot of time that would be taken by either a select committee of the House or a royal commission.

I would like to see the permanent standing committee on energy established simply because, with the best will in the world, and I am not singling out Hydro here, this committee does

not have adequate time to deal with a review of the crown corporations and agencies that come under the Ministry of Energy.

It may be that in one year the committee would like to examine Hydro, in the next year it could examine the Ontario Energy Corp., and so on. I would like it in place to do that. We have talked about that previously in this committee and in this House. We have even had some sympathetic noddings and words from the minister on the question. I have been a little frustrated that we have not yet done that.

Such a committee could set aside maybe a week, for example, to examine Hydro, which arrangement would not have the ongoing problems that I think the select committee obviously did. We sometimes got diverted from our main course.

Finally, the rate increase this year is contentious, particularly when it was brought in while the government was imposing a five per cent increase on the wages of many public servants and it is obvious Hydro did not feel it could bring its rate down to five per cent, so I think this new proposed committee could provide a public forum to examine that fairly quickly.

Frankly, one of the dangers of a legislative committee is that we can get into a drawn out examination without the expertise available to have a thorough and proper examination. I would not like to see that happen. That is why I would like its first job to cover just this one item. I would hope we could have counsel and some technical expertise but there has been a considerable amount of work done, as Mr. Macaulay indicates, both before the Ontario Energy Board review and in its own examination, that I think could be made available to the committee before it actually undertook some hearings on the matter.

Mr. Kerrio: I would like to make one comment in relation to the first part of the motion. I cannot support a motion that would ask the Ontario Energy Board to examine anything because it can bring in hired experts to do a job; that has absolutely no credibility because they cannot turn their findings into anything concrete relating to Ontario Hydro's rate structure. So I cannot support that part of it.

I happen to think that the former select committee did a very good job of examining, and Ontario Hydro was very co-operative with us and opened up many areas we wanted to look into. I would be in favour of supporting something along the lines of a legislative committee, but I cannot support the first part of that motion

as it relates to the Ontario Energy Board. I have already stated to the chairman that I do not feel it serves any useful purpose.

Mr. J. A. Reed: I wonder if it would be in order for me to move an amendment to the motion supporting my colleague, the energy critic: That the words "Ontario Energy Board" be struck out and replaced by the words "the standing energy committee of the Legislature" with the commensurate adjustment made in the final paragraph, inasmuch as the Ontario Energy Board of itself has no power. This is so obvious. Ontario Hydro has listened to the recommendations and so on, but in fact its power is limited to recommending.

Within the confines of a standing committee on energy of the Legislature, which has been tentatively supported in the past by the Minister of Energy and which has been supported by the NDP and, of course, by ourselves, we would at least have some ability to get to the root of the difficulties relating to energy costs or electric power costs in Ontario. We have done it before with the co-operation of Ontario Hydro and we can certainly do it again. I think it would be a valid exercise. Therefore, I move the amendment that the words "standing energy committee of the Legislature" be substituted for "Ontario Energy Board."

Mr. Foulds: I would like to respond to that. Obviously, if the amendment carries, I will support the motion as amended. I personally feel that the Ontario Energy Board does have considerable expertise. Although it has only the power of recommendation, so does the standing committee of the Legislature only have power of recommendation. I see it as a two-step process, in effect. The Ontario Energy Board could provide the information and data that would be the subject of an examination by the proposed standing committee on energy. In that way, the energy board would have done a lot of preparatory work and have presented it to us.

I may be destroying my case here, but I think the statistics the Hydro people have put out about the relatively close way they have followed the recommendations of the Ontario Energy Board indicate that the Ontario Energy Board has the respect of Hydro. Therefore, I believe it has some credibility in the world at large about the judgements it makes, whereas I think it would take a legislative committee a lot longer to accomplish an initial study on those matters, to do the same work.

Mr. Chairman: I do not know whether copies

of this motion were circulated. I want to make sure people know what they are—is there any objection to proceeding with the vote on this amendment on this motion?

The amendment is that this list of items to be referred to a standing committee on energy.

Mr. Kerrio: Instead of the Ontario Energy Board.

Mr. Chairman: All in favour of the amendment? Opposed? Defeated.

Now, the motion—

Mr. Foulds: On a point of order, Mr. Chairman, I ask that the motion be broken down in A, B, and C.

Mr. Kerrio: No, we cannot do that.

Mr. Chairman: I think there is one motion before us.

Mr. Foulds: That is entirely up to you.

Mr. Chairman: All in favour of the motion? Opposed?

Motion negatived.

10 p.m.

Mr. Kolyn: Mr. Nastich, during the debate on Bill 179, on the restraint program, the Treasurer (Mr. F. S. Miller) stated that revenues were down to approximately 40 per cent. That gives us a fair barometer of how our economy and our industrial capacity is working in Ontario at the present time. You brought up the fact that Inco uses so many kilowatts per day. Inco has been basically shut down for five or six months and we have had a few emergency debates about Sudbury and its high unemployment: 30 per cent. How many kilowatts do you figure we have lost between Inco and Falconbridge in the last six months?

Mr. Nastich: I know the demand from Inco has been 210,000 kilowatts and it is now only a seventh of that, about 30,000. I do not have the figures for Falconbridge, but they would be similar.

Mr. Kolyn: It seems to me we in Ontario are experiencing another problem. We have the automotive industry that is geared to a high percentage of our population being in the workforce. Now it seems that Massey-Ferguson, General Motors, Ford and Chrysler are not working at full capacity, and I think part of our overcapacity in energy is because the economy is not where it should be. If the economy were where it should be, at 80 or 90 per cent, how much overcapacity would we have then?

Mr. Nastich: I will answer that in a specific way and perhaps Arvo can add something. In 1981, I had our economist produce some figures to compare surplus capacity in industry in Ontario with Hydro. Ontario Hydro's surplus capacity in 1981 was 36 per cent; the manufacturing surplus was 21 per cent; transportation equipment was 40 per cent; petroleum and coal products were 27 per cent; the wood industry was 39 per cent; primary metal was 25 per cent; and metal fabricating 21 per cent. That shows you that the industrial capacity in Ontario and Canada is generally heavily underutilized and that cannot help but have an effect on the electricity demand. A very large portion of our load is industrial load or commercial load and when they do not use it, we do not provide it.

Mr. Macaulay: If I could just offer a comment, it is interesting to speculate a little bit on the point you have raised. Here we have a situation where growth is relatively static as opposed to the United States where there is a negative growth or a decrease in the use of electricity. We have a severe economic disruption in this country and in this province. It is interesting to speculate on the point you raise as to what indeed would happen. Why are we not experiencing a decrease in the use of electricity in Ontario today? Conversely, if there is an upswing in the economy, which I am sure we all hope for, is there not going to be a significant impact on the use of electricity? I guess the answer is yes, but it is pretty tough to quantify it.

Mr. Kolyn: From the energy standpoint, has Hydro given much consideration to electrical power for heating?

Mr. Nastich: The chairman, in a speech on Thursday at the Empire Club, made reference to our hope of doing two things in our marketing program: One was to continue the conservation message, that is, not to waste energy; the other was to use electricity effectively to reduce the cost of energy to the industrial, commercial or individual customer.

One way of doing that is these dual-fired heating systems that you may have heard about, where you put a five-kilowatt electric resistance heater in an oil furnace, use the five kilowatts until it gets very cold and you have to burn oil, and you find that you reduce your oil consumption by anywhere from 50 to 70 per cent, depending on the house. That makes real economic sense to both the utility and the customer. He is getting off oil, reducing his energy costs

and using electricity that is home-grown in Ontario.

We are going to be extending our energy advisory program to industry to suggest ways in which they can make better use of electricity to increase their efficiency and productivity and lower their costs.

It seems to me that what we have here is a manufactured resource—electricity is not a natural resource; it is a manufactured resource—that has enormous long-term benefits to the people of Ontario. For example, on rate increases, in the last four years, increases on electricity were about 37 per cent in Ontario, 45 per cent in Quebec and almost 50 per cent in British Columbia. Despite some of the comments you hear, we have been improving the cost of electricity relative to our competitors in the last four or five years. That is not bad.

Mr. Kolyn: To go back to transportation, certainly we have trains, the GO system and things like that. Should we as a province be looking inward, since we have an overcapacity of electricity, to electrifying the GO system? The GO system is going to be here for a long time in the future, and Hydro is going to be here too. Should we not be capitalizing to start changing it around?

Mr. Nastich: Yes, I think we should. There was a task force under Mrs. Scrivener looking at the electrification of the railroads, and their recommendation was that it should be done. Ontario Hydro has the electricity; we can provide the facilities. The issue, I guess, is whether the transportation companies want to put the money into it. It seems to me that electrification of the railroads, while not an enormously large load, is one that could help both the electricity industry and the transportation industry. The trains in France, Switzerland and Germany are electrified and they are enormously efficient.

Mr. Kolyn: You mentioned that Bruce B. Pickering B and Darlington are our three basic megaprojects. How many people do we have working on these projects at the present time?

Mr. Macaulay: That is a tough one. Sam Horton is in charge of design and construction, and he has more to do with that activity than any of us at the moment. Could you estimate that?

Mr. Horton: I would guess about 8,000 or 9,000.

Mr. Macaulay: On the three?

Mr. Horton: These would be Hydro employees. Then the ripple effect is three times that.

Mr. Macaulay: The ripple effect is three or four times that.

Mr. Kolyn: So you would be looking at 24,000 people directly and indirectly?

Mr. Horton: Certainly.

Mr. Kolyn: In other words, if we decided to mothball Darlington, as the New Democratic Party suggests, there would be a tremendous ripple effect on employment.

Mr. Macaulay: Yes. When you talk about a ripple effect you are talking about suppliers to suppliers. When you get out into the service industries that are related to suppliers and a lot of other things that happen, you see a cascading effect in both directions, both positively and negatively, depending on whether you are going ahead or pulling back.

Mr. Nastich: I think if you cancelled Darlington, the best estimate is that about 4,000 jobs would be lost next year. Those are engineering and construction people.

Mr. Kolyn: If we cancelled Darlington, what would it cost us to mothball it and keep it in abeyance? I think we cancelled a nuclear plant federally and had some problems in keeping it in a proper condition.

Mr. Macaulay: I would like to ask my two colleagues to comment on that. Arvo or Sam, do you want to talk about that?

Mr. Niitenberg: The least it would cost would be the interest and surveillance charges and what has been spent and committed, and that is over \$1 billion, so it would be quite sizeable just to hold it. We have not looked at whether it is technically feasible.

Mr. Macaulay: Do you want to talk about the difference between the consequences of a brief delay and those of a long-term delay?

Mr. Kolyn: A four-year or five-year delay.

Mr. Macaulay: I do not mean in precise dollars; I just mean the difference in category.

Mr. Niitenberg: With respect to a long delay, since we have commitments for the manufacture of components for four units, it is simpler to cancel the contracts and start all over again.

10:10 p.m.

Mr. Kolyn: Mr. Minister, you were saying earlier that you are paying \$65 a ton for coal.

Mr. Macaulay: Excuse me. Is this question addressed to me?

Mr. Kolyn: I am sorry. Mr. Chairman, I am interested: Are we using much western coal?

Mr. Macaulay: I am glad that—well no, I do not say that. It was a great honour you did that I cannot accept.

Mr. Kolyn: My apologies.

Hon. Mr. Welch: Just a momentary glory.

Mr. Kolyn: You mentioned that we were paying \$65 a ton for coal. I presume we are getting very much coal from Alberta at the present time, or are we? How much does Hydro buy?

Mr. Macaulay: Our fuels division director is here, and with your permission, Mr. Chairman, I would like to ask him, if I can lay my eyes on him. Mr. Al Holt, would you pull a chair up here or stroll up or somehow make your presence felt? He has been sitting here patiently all evening, waiting poised to respond to a series of questions of this nature.

Al, would you respond to the question that has just been asked about how much coal Hydro buys from western Canada and where it fits into our picture?

Mr. Chairman: Just give your name, too, to the record.

Mr. Holt: My name is Alan Holt. I am director of fuels for Ontario Hydro.

This year we are buying about 2.3 million tons of bituminous coal from western Canada and about a million tons of lignite; that is from Saskatchewan. That is compared with about 1 million tons of coal from the United States, so it is a little over 20 per cent.

Mr. Kolyn: Is there any forecast that in the future you will be buying more from Alberta and less from the United States?

Mr. Holt: No, I do not think that is our intention. The amount of western Canadian coal was originally bought in relation to the total amount of coal we were buying. Its value is partly its security, because it is Canadian, and partly because it is very low in sulphur; it has about 0.25 per cent sulphur compared with times that amount of sulphur in US coal.

Since our total amount of coal is dropping because of the nuclear power program, and we are forecasting our total coal usage will drop from the 13 million tons I talked about for this year down to maybe seven or eight million tons, we would not want to raise the amount of western Canadian coal; but the percentage of Canadian coal in the total coal we are buying will go up even though we keep the actual amount the same.

That is a roundabout way of saying we will

buying less American coal because of the nuclear power program.

Mr. Kolyn: That is really all I want to ask you about the coal.

Just recently the President of South Korea was here in Ottawa and there was some rumour that they were thinking of buying some nuclear reactors. I happened to be in Korea recently, and the announcement there was that they had bought two French nuclear reactors. What is the situation with the Candu reactors? Have we got any sales or any possibilities?

Mr. Nastich: There is one 600-megawatt Candu unit being built by Atomic Energy of Canada Ltd. with Koreans and with some people from Ontario Hydro involved in the commissioning. There is a possibility that Korea will buy a second 600-megawatt unit, though that is somewhat in doubt because of the economic conditions in Korea. But we do have one Candu unit in Korea.

Mr. Kolyn: You mentioned that electricity is a manufactured resource and that the General Public Utilities sales across Lake Erie might possibly have helped us out of our present dilemma. How, really, did it affect us? Would it have been a good thing for us to have got that particular contract?

Mr. Macaulay: Arvo, would you comment on that?

Mr. Niitenberg: Yes, it would have locked in a major export contract over a 10-year period and, more important, in the long term supplied us with another interconnection with the United States that really would have been beneficial to the consumers on both sides of the border. It was rather unfortunate that circumstances overtook us and we are not the suppliers to GPU.

Mr. Nastich: It would have firmed up, as I mentioned earlier, a piece of the export that we now grab. All our export except for the new Niagara-Mohawk contract is interruptible. That means it is at will and it can last six months or three months. Therefore, the projections we make on export sales are very much dependent on particular economic and physical conditions in New York state.

When we can firm up a contract, such as the Niagara-Mohawk contract for 450 megawatts and the General Public Utilities contract for 1,000 megawatts, it means we have a commitment that whether they take it or not we are going to get money for it, because both of those contracts have elements that say they pay

whether they take it all or not. It was a tremendously good sure sale for Ontario.

Mr. Niitenberg: It should be stressed when we are talking about firm exports that Ontario load always takes preference. This is stated right in the contract. It is firm in terms of sequence of supplying to other US utilities. It is interruptible at our discretion to supply Ontario loads.

Mr. Chairman: I was just looking over the list of questioners. Two or three other members are hoping to sneak on.

Mr. Kolyn: All right, I will pass to them.

Mr. Lane: My colleague has raised several points that I was concerned about. Tonight, the general feeling of opposition members seems to be that there is a great deal of overproduction, or availability to have overproduction. Inco has been mentioned several times. We are all very conscious of these things at the moment.

Assuming the economy takes an upswing, which we hope will happen in the next year or two, to improve somewhat and get back to a reasonable demand, just how much overproduction do we really have? What kind of percentage of surplus do we need to have to be sure we can start Inco up and do all the things that might have to be done in a hurry and still not have any brownouts or blackouts? We would need to have a fair percentage, would we not?

Mr. Macaulay: I would like to ask Arvo to respond to that.

Mr. Niitenberg: I would like to pick up the point that Milan was making, which is that electricity really is a manufactured product. We make it from falling water, coal, or uranium. The capacity we have in place is manufacturing capacity to convert that energy to electricity.

What we have been looking at is to reduce our dependence on the high operating cost plants, such as oil- and gas-fired plants. When the select committee on Hydro affairs looked at system reliability, it suggested, and we made presentations to that effect, that 25 per cent reserve margin is the minimum that the system should have in order to be able to supply power reliably.

In the past year, we have mothballed oil-fired generating capacity at Lennox, which is very high cost to operate, and some gas-fired units at Hearn, which are also high cost to operate, so we have taken 2,600 megawatts out of the day-to-day production. We expect to have about 30 per cent reserve going into January 1983.

After Pickering B comes into service, our

reserves will again begin to increase, but we are not overly flush. I am sorry Mr. Reed has left, but there is no 50 per cent or 60 per cent extra capacity available for this winter. We are going into January with expectations of having 30 per cent and that is within the recommended margin.

Mr. Lane: None of us wants to pay more than we have to for any commodity, but to be quite honest I was relieved today when I heard what the increase in price was going to be for 1983. Last summer I was advised by people in my part of the world who are opposed to nuclear power that you already had plans to increase your rates over the next three years by about 53 per cent. I was very relieved today to hear it was going to be 8.4 per cent.

10:20 p.m.

Mr. Macaulay: Mr. McKessock might be interested in knowing that the same sentiment was expressed by the president of the Ontario Federation of Agriculture this afternoon. I do not quote him exactly, he can quote himself, but that response has not been unique, comments this evening to the contrary notwithstanding.

Mr. Lane: I know we are running out of time. The only other thing I would like to say is we northern members and the people in northern Ontario were somewhat disturbed this past summer when we understood you were looking at what you called seasonally adjusted rates or something, so you could charge out the actual cost of servicing an area in summer and winter, etc.

This was perceived by us and by our people to be unfair to the north because of the long cold winters and the extra amount of energy we would use during that winter season. I know my colleague the member for Sudbury (Mr. Gordon) made a presentation to the energy board hearing. I had some input to that presentation. Basically, that was our concern. I just want to say "Thank you" for not imposing that on us in any case, because whether it was real or imagined, it was perceived to be a problem in the north. I want to thank you for that, sir.

Mr. Macaulay: Perhaps it is not entirely appropriate for Ontario Hydro to monopolize your appreciation, Mr. Lane. The Minister of Energy might appreciate a tip of the hat and I will certainly convey your point of view to our board of directors. In fairness to the rate structure and to the proposals that were under consideration by the energy board, and Mr. Kerrio's concern about their effectiveness notwithstanding, I am afraid there have been some

rather wild misconceptions about the result and the impacts of those rate changes.

They are not going to take place now, they are deferred, but we would welcome the opportunity to reopen discussion with any member of the Legislature who is interested in pursuing discussion on that subject. There are some very widespread misconceptions about the impact of those rates and the question of fairness enter quite appropriately into it.

I won't take longer on that subject, Mr. Chairman, because it is a very complex one, and you well know yourself from your interest in the subject, as you have expressed so vehemently from time to time, and it could take quite a lot of time to talk about.

Mr. Chairman: We have covered it well enough.

Mr. Macaulay: I know you are short of time.

Mr. Lane: I won't take any more time, thank you.

Ms. Fish: Mr. Chairman, we have been engaged in questioning at such high levels of policy that I hesitate to ask a few modest questions at the rather more detailed and local level. None the less, I will.

I have been involved, as Mr. Macaulay may be aware, in discussions that have been going on for the last four or five years between officials of the city of Toronto and Ontario Hydro, about the future of your transformer site in the neighbourhood known as St. Lawrence, down on the Esplanade in the city of Toronto.

Rather more recently, there have been some approaches made in conjunction with the Toronto Board of Education respecting a possible consolidation or relocation of your site that it is hoped would free some land for school purposes. An additional public school is much needed in that neighbourhood, which has sustained some considerable growth and is one of the few neighbourhoods in the city of Toronto with substantially rising child counts. Could you bring me up to date as to where those rather lengthy discussions stand and when we might look for a decision from Hydro with respect to the future of that site?

Mr. Macaulay: You put the matter tactfully and said that I might be aware. You have quite effectively seen to that from time to time. We are aware of your interest and that of the city. Some continuing study has been going on. I would like to look into that and give you a little more detail on it than I am able to give you verbally tonight; except to say I believe we are

currently looking at the possibilities, as you suggest, of consolidating the operation that is there in conjunction with the city in some way or other. I am not sure of the outcome of that. I would be more than pleased to inquire and get back to you on it, or to relay the information through the Ministry of Energy.

Ms. Fish: I would be pleased, in consideration of the hour, to have a reply come at a later date.

Perhaps while you are looking into the matter you might give some thought to what steps, if any, Ontario Hydro might be prepared to take in the event the decision should be for consolidation rather than vacating the site. I am thinking specifically of steps which would enable what would remain of the transformer site, with its rather industrial characteristic, to blend in a somewhat improved manner with a new residential neighbourhood that has changed the character of that area very substantially from heavy industrial warehousing, shipping and transport, to residential.

Mr. Macaulay: There is a bit of a sound factor too, I believe, but I am not too sure of the details of it.

Ms. Fish: Yes, there is. Perhaps you could look at that as well. I have a brief second question, if there is an opportunity, Mr. Chairman.

Mr. Chairman: Carry on briefly.

Ms. Fish: You mentioned electrification earlier. I think the questioning from Mr. Kolyn was on the rail lines or on GO Transit.

I am reminded that discussions about possible electrification and reports to that effect were issued under the aegis of the Ministry of Transportation and Communications seven years ago, if my memory serves, when the early discussions came forward about improvements to the Bathurst Street Bridge area of the rail lines, particularly where the Canadian National and Canadian Pacific lines come together so that the GO Transit trains were having considerable difficulty passing through downtown. Improvements have since been made to the Bathurst Street neck. That has been opened up. We now understand that the rail lines can facilitate an increased number of GO Transit vehicles.

The discussion on electrification in those days centred upon a concern about the substantial multiplier effect and the numbers of people who could be carried by GO Transit, concentrating or additionally underlining the issue of office space and density in the city of Toronto which was thought at the time to be not very

desirable, given a local preference for satellite office and commercial development in Metro.

Could you elaborate on how current the discussions are on electrification of any of those lines as they may be used for commuter rail purposes, and whether this is something which could be termed active between Ontario Hydro, MTC and any of the railways in question?

Mr. Nastich: It is not active. The last contact we had was with the Scrivener task force, which was about a year and a half ago. They produced a report and, as far as I know, there has been no further action. We are in a waiting brief on that one if anything comes up.

There has been a recent announcement by the Ministry of Transportation and Communications about a transportation concept for the greater Toronto area. We will be involved in that to the extent that they may well want to use some of our transmission rights of way for some of their rights of way. I do not know the details of that. Our director of route and site selection will be working with the appropriate people in the ministry.

Ms. Fish: Have you been approached at all by either of the railways, notably CP, on the question of possible electrification, given their dusted-off plans for redevelopment of the so-called Metro Centre railway lands and the benefit electrification would provide in reducing vibration problems for development over those lands?

Mr. Nastich: There has been really nothing in that area since the Scrivener committee task force report.

Ms. Fish: The task force would not have dealt with the issue of redevelopment of those lands. There was an announcement this summer that revised the concept of redevelopment. As best you know, that has not led to any contract with Ontario Hydro?

Mr. Nastich: That is right.

10:30 p.m.

Mr. Chairman: We have time for a 60-second tinger from Mr. McKessock, if we can have about a 60-second answer.

Mr. McKessock: Mr. Chairman, I am sorry that time has just about run out. So has my voice.

I wanted to talk about two things. One was hydro corridors and the other, tingle voltage. The route you chose for the hydro corridors was turned down and you will be going across my area.

Mr. Macaulay: Excuse me, could I just suggest different words there? We put forth six alternatives and said they are all acceptable as to cost, technically and so on, but we listed one as being Ontario Hydro's particular preference, and that one was not the one chosen.

Mr. McKessock: That was my preference too, the one that you chose. What I was most concerned about was the way the consolidated hearings communication process took place, and I think you should be concerned too. There was only one ad in the paper in our area and it said nothing about six routes being looked at. It just said the hearings were to be held in Stratford.

I cannot find one person in our area who knew that if the M1 route was turned down, another route could be chosen without a further hearing. They knew it could be turned down and another route chosen, but not without another environmental assessment hearing. We realize there will be another hearing when the definite route is chosen, but we were not aware another route could be chosen without another hearing on that location.

The ad, which took up a quarter page in the daily paper, said nothing, as I mentioned, about six routes being looked at. It was all in legal jargon, so the ordinary land owner had no way of telling that he was somehow going to be affected when the hearings were held 100 miles away from where his land was located.

As I mentioned in my appeal on the case, surely we have not reached the point where we need to have a lawyer read a newspaper for us. But even if the lawyer had read the newspaper there is no way he could have seen that somewhere in Grey county they might get a hydro corridor without another environmental assessment.

Mr. Macaulay: I think there are two problems. One is that when Hydro expressed its preference, there was some view—I think you will be interested in this, Mr. Minister—that this would probably tip the decision of the consolidated hearings board towards that option. I do not like to think it would tip it one way or the other, but nevertheless it obviously did not do so.

I think there is a problem that that board and all such boards faced which, as you and I both know, is indicated by the organizations which endorsed the submission of the food land-Hydro committee which was in the direction of the ultimate recommendation.

The consolidated hearings board was supported by the Concerned Farmers of the United Town-

ships, Ontario Cattlemen's Association, the Middlesex County Federation of Agriculture, the Ontario Bean Producers' Marketing Board, the National Farmers Union, the Ontario Institute of Professional Agrologists, the Agriculture Power Line Working Committee, the Christian Farmers Association, the Huron County Federation of Agriculture, the Central Huron Christian Farmers Association, the Waterloo County Federation of Agriculture, the Perth County Federation of Agriculture, Perth County Beef Producers, Huron County Pork Producers and the Chicken Producers, District 2.

Mr. McKessock: That is not my point.

Mr. Macaulay: I think that is their point though.

Mr. McKessock: Yes, but my point is that nobody knew there would not be another hearing if another one of those six routes was chosen.

Mr. Macaulay: With respect, I do not think that is true.

Mr. McKessock: Did you read the ad in the paper?

Mr. Macaulay: I not only read the ad, I was up to my eyeballs in the whole program. Every effort was made to see that the people who wanted an opportunity to participate were given it. As a matter of fact, in the study groups that were chosen, there were people selected from municipal councils, county councils, professional groups, agricultural groups in all of the areas.

Mr. McKessock: Yes. I realize that, but I could not find one person who knew there would not be another hearing if another route was chosen in our area. The fact that nobody from our area made a presentation at Stratford was an indication that they did not know. I even contacted the Coalition on the Niagara Escarpment because I noticed their people had made a presentation. I said, "I would like a copy of your presentation." They said: "No, we did not make it. We did not think it was necessary."

Mr. Macaulay: I am familiar with their position. The president of that organization and I recently visited several parts of this area and had some discussions and we talked several times about it. She has some views about their involvement in the working groups that do not have anything to do with whether it was worth while, but they felt they should stay out at the working group stage and then enter into the picture at a later stage. You will be interested to

how they have since changed their minds and they are now going to join the working groups in the route stage hearings.

Mr. Chairman: I do not think you are going to solve this, Mr. McKessock, but I think you have got your point on the record.

Mr. McKessock: Yes. The argument was against the consolidated hearings board and the way they advertised. It was the communications. It really is not your fault. I just thought you should be concerned as well.

Mr. Macaulay: Mr. MacCarthy is probably around. I know he would be happy to discuss—I guess, Mr. Chairman, we are out of time, but it's you and I stick around a few minutes and talk about it.

Mr. McKessock: All right. Just on the tingle voltage, has Hydro compensated any farmers for loss on the tingle voltage?

Mr. Macaulay: Our biggest preoccupation has been to solve the problem.

Mr. McKessock: Have there been any complications?

Mr. Macaulay: Mr. Stan Taylor is director of customer service for Ontario Hydro.

Mr. Taylor: Our efforts to date have been—

Mr. Chairman: If we are going to carry on, sir, you will have to come up here.

Mr. Macaulay: Unfortunately, we are going to have to be brief, Stan.

Mr. Taylor: My name is Stan Taylor, director of customer service, Ontario Hydro. As the chairman indicated, our efforts to date have been to attempt to solve the problem and we are down the road quite a way in that respect. We have some potential solutions that have been tested and appear to be satisfactory. That is where most of our efforts have been.

Mr. McKessock: I have had several farmers come to me. You had gone as far with one of them as to have your insurance company involved

and he thought he was going to be paid for the loss. For some reason, they dwindled out of it. I thought when you got that far, when the insurance company was brought in, he would certainly have received some compensation.

Mr. Taylor: There have been some claims made. I am not certain of the precise status of each of them, but they are all investigated to determine whether the problem is on the customer's side of the meter or on the distribution side of the meter. Those investigations take time and I cannot tell you the status of all those.

Mr. Macaulay: We could provide a recap of the material we prepared for the federation of agriculture and other interested groups on the subject. I am sure you are interested and I think we have quite a bit of information that would be of interest to you.

Mr. McKessock: Okay. Then to your knowledge you have not compensated any farmers to this date?

Mr. Taylor: No, not to my knowledge at this point.

Mr. Chairman: Thank you, Mr. Taylor, Mr. Macaulay, Mr. Nastich and the rest of the officials from Hydro. We thank you very much for taking the time to appear before us this evening. We appreciate that opportunity.

Mr. Macaulay: May I express our appreciation of the courtesy of the chairman and the committee. These are subjects that can produce some warm comment from time to time and we appreciate the graciousness with which we have been received.

Mr. Chairman: Thank you. Mr. Minister, we thank you and your staff for making yourselves available.

This concludes the estimates of the Ministry of Energy.

The committee adjourned at 10:39 p.m.

CONTENTS**Tuesday, October 26, 1982**

Ontario Hydro.	R-5
Adjournment.	R-5

SPEAKERS IN THIS ISSUE

Fish, S. A. (St. George PC)
Foulds, J. F. (Port Arthur NDP)
Harris, M. D. (Nipissing PC)
Kerrio, V. G. (Niagara Falls L)
Kolyn, A. (Lakeshore PC)
Lane, J. G. (Algoma-Manitoulin PC)
McClellan, R. A. (Bellwoods NDP)
McKessock, R. (Grey L)
Reed, J. A. (Halton-Burlington L)
Sweeney, J. (Kitchener-Wilmot L)
Welch, Hon. R. S., Minister of Energy (Brock PC)



Ontario. LEGISLATIVE ASSEMBLY

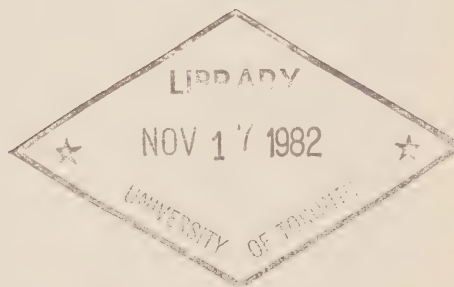
No. R-22

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Resources Development

Estimates, Resources Development Policy



Second Session, Thirty-Second Parliament

Wednesday, October 27, 1982

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service Information Services Branch, Ministry of Government Services, 5th Floor, 880 Bay Street, Toronto, M7A 1N8. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.



LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, October 27, 1982

The committee met at 10:19 a.m. in committee room 2.

Mr. Chairman: I will call the meeting to order. We are here to hear the estimates of the Provincial Secretariat for Resources Development.

ANNUAL REPORT, ONTARIO HYDRO, 1981

Mr. J. A. Reed: Mr. Chairman, prior to commencing the proceedings, I have the following motion to put to the standing committee on resources development.

I move that, notwithstanding the orders of the day for the standing committee on resources development as listed on the business sheet for Wednesday, October 27, 1982, this committee not begin the estimates of the Provincial Secretariat for Resources Development but, instead, pursuant to the petition tabled in the Legislature on Tuesday, October 19, 1982, requesting the referral to this committee of the annual report of Ontario Hydro for the year ending December 31, 1981, that the same annual report be considered before this committee today so that this committee may begin immediately to conduct an inquiry into Ontario Hydro's capital expansion program and its impact on electricity rate increases and, for the purpose of this inquiry, that this committee call on Ontario Hydro to produce all necessary documents and witnesses which may be necessary to pursue such an investigation.

Mr. Chairman: Mr. Reed, I have ruled these motions in order before and have been in error, but I think the motion is in order. I want you to understand that we are here to hear the estimates of the Provincial Secretariat for Resources Development—that is the purpose of the meeting—and we started those estimates once we started the meeting. In that context, I think the motion is in order. Do you wish to speak on it?

Mr. J. A. Reed: Yes, I will speak on the motion. The reason for this motion on the annual report of Ontario Hydro is a reflection of the limitations expressed by the Ontario Energy

Board in its consideration of Hydro rate forecasts. That is basically what we are concerned with.

We have seen rate increases well in excess of inflation rates in recent years. We know that there is a capital spending program under way and that the Ontario Energy Board has not been able to scrutinize properly—at least it has so stated. We are aware that the capital expansion program and the costs of carrying that expansion program are essentially the root cause of the increases in electric power costs to the people of Ontario.

We hear only the arguments put forward by Ontario Hydro. To this point, especially in recent years since the abandoning of the select committee, we have not had the opportunity to scrutinize properly or to have available to us all the information necessary to make reasonable judgement calls as to what is acceptable and what is not acceptable in terms of Hydro rates.

The same constraints have been expressed by the Ontario Energy Board. I can read a few excerpts from the Ontario Energy Board's report. I think they probably should go into this record as part of the argument in favour of tabling this annual report.

On page 176 in its report to the minister this year, it says, "The board must admit that system costs are heavily impacted by the capital program and that little can be done by the board in the way of economy measures to reduce such costs without effective participation in the determination of the system expansion program." It adds: "It is recommended that an examination of capital expenditures and cost controls be undertaken in the near future."

It goes on: "The board is constrained in several respects. The system expansion program is excluded from consideration. Retail rates are excluded. Net income has sometimes been excluded, and the periodic severe time restraints imposed upon the proceedings occasionally dictate the placement of emphasis or priorities upon the various issues under review."

There is another quote here: "A considerable amount of Ontario Hydro's costs for 1983 have not been examined before this board because of claims of confidentiality. Costs arising out of

wage settlements, uranium and coal contracts, oil cancellation charges, heavy water costs and others have not been disclosed."

I could go on and on about the constraints that have been placed upon the Ontario Energy Board. We in this standing committee do not have those kinds of constraints. We have the power to call out that information, and I think in fairness to the people of Ontario now is the time to call out that information.

We have a take-or-pay oil contract with Petrosar that now is continuing to escalate in costs when the only generating plant that can use that heavy oil has been closed by Ontario Hydro. Yet the money continues to be paid out on oil not taken.

We have excesses of heavy water. We have excesses of uranium. We have excesses of coal. The carrying costs of all those excesses are being borne by the people who buy electricity in Ontario. The excesses are so great that the utility has been scrambling like a madman to get firm power contracts with areas of the United States. In fact, it has found a certain amount of difficulty in being competitive. As a result, some expected contracts have not come to pass. One recent one was a proposed contract with General Public Utilities, which ended up buying firm power under contract from Detroit Edison.

We have an incredible surplus of generating capacity. We have projections of consumption that have not come to pass. In spite of the arguments that have been made that it is all due to the recession—I think that argument was made last night—such is not the case, because the decline in power consumption increases was well started in 1976, and those were years when we were really flush. Obviously verated with electric power consumption in Ontario. If we look at the amount of electric power consumed per capita in Ontario, we find that in industry we are more highly electrified than any other jurisdiction in North America.

The arguments that have been put forward justifying or making excuses for all the system expansion in the past have to be called. In our view, we cannot delay the calling of these cards any longer. We do not have a select committee to refer to. We cannot simply move this into a committee the way we could before March 19, 1981. The only real opportunity we have is here in the standing committee on resources development. I can do no more than encourage all the members of the committee to support this motion. Let's get it out into the open. Let's clear the air.

We have to come to the conclusion that at some point the long-promised memorandum of understanding between Ontario Hydro and the government must be made reality, at the very least. The terms of a private member's bill introduced a few years ago would have amended the Energy Act and the Power Corporation Act to give Hydro the framework within which to operate, to let it understand what its place was and where it fitted in the energy mosaic of Ontario.

All this has never happened, in spite of the 1973 recommendation of Task Force Hydro that such an understanding should come to pass. It was rejected by Hydro, presumably because Hydro saw it as an infringement on its kingdom—on its fiefdom, if you like.

As a result, we are witnessing the waste and the bureaucracy of a state within a state. We have a utility that, through this annual report, has made the incredible statements that really should be made by government. Here we have Hydro saying on page 1 of its report: "Instead of working merely to meet anticipated demand, we are now looking at a wider role for Ontario Hydro and considering the effects our large construction projects, our exports, our rates and in fact all our activities can have on the social, environmental and economic life of the province."

10:30 a.m.

Where are we going to draw the line? We should say: "Hydro, you have a mandate to generate electric power. You do not have a mandate to impose yourself on the social and economic life of the province beyond the mandate of generating electric power at cost." If the government cannot come to terms with this assumption of wider mandate, if it cannot come to terms with a utility that now is out of control, with the tail now wagging the dog, then surely we are headed on a very dangerous course in this province.

Instead of accepting wider mandates for Ontario Hydro, we should be considering very seriously confining those mandates or at least making sure that the utility does not step out of its boundaries. The only way we can examine that properly is here in this committee by elected legislators. I can do no more than say to all my colleagues here on this committee: Let us support this motion, understanding that we can do something very concrete about redirecting Ontario Hydro and bringing it under control. If we do not do it this year, we are going to be faced with escalating rates based on overcapacity,

oversupply, overinvestment and so on in the years to come. The decision we make today will reflect on Hydro rates in 1984, 1985 and 1986.

You are all aware of the lead times in capital expansion. We have to examine the capital expansion program to determine fairly whether the people of Ontario are paying a price for electric power that is not related just to some other utilities which may be more expensive but is related to what the price of electric power should be in Ontario. Sir Adam Beck would have wanted nothing more than that. I think we owe it to the concept of Ontario Hydro and how it was created. He is reported to have said on his deathbed—

Mr. Foulds: "Get those pigeons off my statue."

Mr. J. A. Reed: "Don't let them raise the rates." If we do not consider this annual report, we are allowing Hydro to do whatever it jolly well wants to do. We are the ones who must bear that responsibility.

Mr. Foulds: I thought you might go on for five minutes so I could get a cup of coffee.

Mr. J. A. Reed: Sorry. Your comment about pigeons threw me.

Mr. Foulds: Sorry about that. There is hot water for anybody who wants it there.

Mr. J. A. Reed: No. I will drink coffee.

Mr. Foulds: I should attribute that interjection to my friend and colleague the member for Bellwoods.

Mr. McClellan: I had the decency to make it sotto voce.

Mr. Foulds: I was always considered more of an extremist than my colleague.

First of all, I want to say I am pleased that the Liberal Party has put forward this motion. I have to express some disappointment that they did not support my motion last night when we actually had the Hydro officials here and we could have carried on an informed discussion on the matters.

I am also somewhat disappointed that the Liberal Party did not support the establishment of a permanent, standing committee of the Legislature to consider the Hydro field. If they had agreed to split the motion, they could have very easily done that.

Nevertheless, leaving that aside, I think it is clear from the announcement yesterday, from the brief examination we were able to have last night and from all the indications, that the electrical consumers of Ontario will be facing

rapidly increasing rates on electricity over the next 10 to 15 years.

Electrical consumers will be facing those higher rates because the cost of the capital expansion program is plugged into the system and Hydro is no longer able to hide—I do not use that word pejoratively—the capital cost from the consumer. That means the only way Ontario Hydro is going to be able to substantially bring the rate increases under control is to cut back drastically on its unnecessary capital expansion program.

If I might, I want to spend a minute or two outlining how unnecessary that expansion program is.

At present, we have an overcapacity of about 45 per cent in the Hydro system. All the experience and testimony we had before the select committee on Ontario Hydro affairs and otherwise indicated that we need about 20 to 25 per cent in a system as large as Hydro's to have a reliable cushion to meet the demand on that one peak day in December or January. That still leaves us with another 20 per cent to 25 per cent of overcapacity.

Before Hydro plugs Darlington into the system around the year 1990, they will be plugging in an additional 4,000 megawatts of power from Bruce B and Pickering B. I am using approximate figures, because my notes are in a little disarray after last night. However, the solution that Hydro put forward over the past few months to this problem of overcapacity is that it can be taken up in two ways.

In his speech to the Empire Club, Mr. Macaulay actually talked about waste capacity, not about excess capacity. One way to take it up is that Ontario Hydro can scramble for firm export power contracts in the United States. The figures we were able to put together, if my memory serves me correctly, show that at the very most they will have 752 megawatts of power on contract to external users next year. That is not very much when you consider the overcapacity is somewhere in the range of 4,000 megawatts and will be rising to 8,000 when Bruce B and Pickering B come on stream. In fact, it is a drop in the bucket.

The other solution Ontario Hydro has is to persuade the people of Ontario to use electricity for space heating in residential dwellings. That would use a lot of electricity. There are two flaws with that: One is that it is a terrible waste of electricity. It is the wrong use for what is a very efficient clean fuel. You lose 97 per cent of the thermodynamic value of energy by using it

to create electricity and using that electricity to heat homes. That is the wrong use, at the wrong time and at the wrong cost.

The other flaw is that if Hydro does that, I believe it will be committing itself to continuing to supply that energy to those homes in Ontario for the next 20 to 25 years. Should we then have a uptake in the economy, we will be once more on the treadmill of unnecessary expansion. Therefore, if Hydro wants to realistically reduce the cost to the consumers in Ontario, the only way it can do it is by not vigorously finding export contracts, by not persuading the consumer of Ontario to use electricity for home heating fuel and by cutting back on its unnecessary expansion program.

It was very clear from the testimony we had last night from Mr. Nastich and Mr. Macaulay that they have no intention of doing that. They have no intention of looking realistically at conservation and they have no intention of cutting back on the nuclear program.

10:40 a.m.

It was very evident there was a firm commitment to Bruce B, Pickering B and Darlington. In an incredible Alice in Wonderland accounting procedure, last night we were informed by Ontario Hydro that somehow it could cost us more to cancel Darlington, even though they have only committed \$1.4 billion, than if we proceeded with spending \$10 billion.

When that was presented to me last night it was so close to the end of the day and I was so flummoxed by this Alice in Wonderland responsibility ping pong accounting that I just could not believe it. I do not understand how it can be cheaper to spend \$10 billion than to spend \$1.4 billion.

I was told that I was talking about apples and oranges. I thought I had been talking about money. It was another case of Ontario Hydro flooding us with information in a statistical sense but keeping from the public the real information about how it operates.

I believe that we have to throw open the doors of scrutiny on Ontario Hydro. Frankly, I do not believe the best way to do that is to consider the annual report today; but it is a way to do that and I would like us to not only take today to do that but several days, if not weeks. I would urge committee members not only to consider examining the present annual report of Ontario Hydro but also to consider establishing a permanent committee on energy so that we could, on an ongoing basis, subject public agencies in the energy field to public scrutiny.

Mr. Chairman, I will support this motion. I have some regret that the Liberal Party did not see fit to take what I considered to be a more orderly way last night when I put forward my motion. However, this is better than nothing.

Mr. Andrewes: Mr. Chairman, it appears once again, that in spite of the Order Paper we are going to spend some time debating Mr. Reed's motion. It is not that much different from the previous motion; it is reworded and it is revised, but I think the intent and the content are clear.

As you are well aware, we have just finished 10 hours of estimates of the Ministry of Energy. A fairly extensive period of time was allocated for the discussion with Ontario Hydro. That allocation was by agreement of the two critics. It was not on the government's initiative that only one evening was to be spent with the Ontario Hydro board and with the chairman. I think the member will recall much of the time last evening was spent in discussions of issues related to the capital expenditure program but much time was also spent, with respect Mr. Reed, in discussion of a favourite topic of his, and that is the small hydraulic issue.

Mr. Chairman, you have mentioned, and we have discussed previously when a similar motion was put forward, that the annual report of Ontario Hydro would be before this committee. It has been referred to this committee and will be dealt with in due course. I understand the concerns of the member for Halton-Burlington (Mr. J. A. Reed). He cited several, specifically those on the Ontario Energy Board report to the Minister of Energy on Ontario Hydro's 1983 rate proposal. The minister has indicated previously and during the estimates that he respects those concerns and he has indicated on occasion that he is giving consideration to addressing those concerns.

On the question of the memorandum of understanding between the Minister of Energy and Ontario Hydro, the minister did apologize last Wednesday for the fact he did not feel comfortable not having that memorandum signed, and that he did not feel comfortable not having that memorandum in place prior to the estimates. That was not done but it will be finalized and it will be here in the near future.

Mr. J. A. Reed: Please do not say that. You just destroy your credibility.

Mr. Andrewes: I understand Mr. Reed's resolution is coming up for debate in the next week or so. He will have an opportunity to put

forward his point of view on that issue at that time.

Mr. Chairman, you mentioned at the outset the Order Paper was clear: that we were embarking on a discussion of the estimates of the Provincial Secretariat for Resources Development. We assume the clock is running on those estimates. I would ask for your ruling on that, **Mr. Chairman.** The staff of that ministry and the chairman of the Niagara Escarpment Commission have been duly notified and are present for this discussion. I think it shows some discourtesy to that staff and to the chairman not to proceed with those estimates.

We will not be supporting this motion. We appreciate your comments and your consideration, **Mr. Chairman,** in considering this motion but, with respect, we feel the motion is out of order and untimely.

Mr. Kolyn: **Mr. Chairman,** originally I was not going to speak on the motion but when I hear all these Alice in Wonderland approaches the honourable member mentioned, I would like to remind him that in Quebec, the La Prade nuclear facility the federal government was building was intentionally mothballed for restraint, but they found it was further ahead to go on and finish it than to have it mothballed; so I cannot really accept his Alice in Wonderland approach on this particular thing.

Mr. J. A. Reed: We are not examining Hydro-Québec today; we could do that another time.

Mr. Kolyn: I happen to think one cannot leave these plants unfinished. Either one starts them and finishes them or one does not start them at all. We have already started and I think they should be finished. I will not take up any more time. I am certainly not going to support the member's motion.

Mr. Wildman: **Mr. Chairman,** I want to emphasize that we agree with your ruling. We do not agree the motion is untimely as was said by the member for Lincoln (**Mr. Andrewes**); that is a matter of opinion. Certainly there is no question the motion is in order.

Mr. Chairman: That it is in order?

Mr. J. A. Reed: Well, we have precedents.

Mr. Wildman: I agree with your ruling on that matter.

Mr. Chairman: Did we get that on tape, **Mr. Wildman?**

Mr. Foulds: One out of three is not bad.

Mr. J. A. Reed: Can we have a recorded vote on this, **Mr. Chairman?**

Mr. Chairman: Absolutely; **Mr. Reed** requests a recorded vote.

The committee divided on **Mr. J. A. Reed's** motion, which was negated on the following vote:

Ayes

Eakins, Foulds, Reed, J. A., Riddell, Wildman.

Nays

Andrewes, Fish, Kolyn, Lane, McNeil, Villeneuve.

Ayes, 5; nays 6.

Mr. Wildman: I thought six and five had to do with restraint.

Mr. J. A. Reed: It sure does.

Mr. Foulds: Could we have a retroactive recorded vote on the motion last night? We did not record the numbers. I thought it was 15 to one.

Mr. J. A. Reed: We are helping you guys today.

Mr. Chairman: **Mr. Foulds,** if I recall, the tape will probably indicate how everybody voted if you read through the record of the meeting.

Mr. Foulds: It is so tedious.

Mr. Chairman: **Mr. Andrewes** asked the question about the time. I have ruled this way consistently, I think, in the past. As I indicated, we had started the orders of the day. I do not know how one can set them aside without starting them. I indicated at the start that the motion is within the context of the orders of the day. It is my opinion we are here and have been since 10 o'clock for the estimates of the Provincial Secretariat for Resources Development.

10:50 a.m.

Mr. J. A. Reed: **Mr. Chairman,** with respect, it has happened on many occasions in standing committees that before the orders of the day motions may be presented. In this case, the chair was in receipt of the motion with appropriate copies prior to taking his seat and prior to the orders of the day being called.

The committee has the power to order its own business the way it sees fit and, with respect, there is no infringement on the time of the estimates. I ask the chair to look at previous occasions where motions have been made prior to the commencement of the orders of the day. I am sure he will find that in those cases it has not been deemed to infringe on the time taken for estimates.

Mr. Riddell: **Mr. Chairman,** you have been chairman of the committee for some time and

you know full well the committee is an extension of the House. The rules that prevail in the House also govern the activities of a committee. You have sat in the House long enough to know that motions precede orders of the day. When the orders of the day are announced, that is the time that is recorded for the beginning of whatever we are doing in the House.

If it is estimates and we are allotted so much time for estimates in the House, the time begins when the orders of the day are announced by the leader of the party in power. This is an extension of the House. I would quite agree this motion was duly presented prior to the start of the committee meeting today and it should not be part of the time which is allotted. The discussion on this motion should not be part of the time that is allotted for estimates.

Mr. Chairman: I stand by what I said. I had called the orders of the day. I appreciate receiving notice of motions that come up. It helps from time to time when you circulate something like that so I know that motions may come up during the course of the committee meetings. I do not think there is any question about whether we were into the orders of the day or the purpose the meeting was called for. Once we start the meeting, that is what we are here for. I accepted the motion as being in order in that context and the record will show that.

Mr. Foulds: Mr. Chairman, with the greatest of respect, I submit to you that in effect this is a procedural motion having to do with ordering the business of the committee. First, a procedural motion is always in order in these circumstances. Second, I would submit it is not part of the orders of the day before this committee. The committee has been allotted a certain number of hours for the consideration of these estimates by agreement of all three parties. For estimates consideration, the clock starts running when the minister begins his opening remarks.

I submit to you very respectfully that your decision is contrary to the precedents and the standing orders of the House. I ask you to reconsider your ruling because, if you are not able to reconsider it, I would feel compelled to challenge the ruling. I feel strongly that the Legislature as a body has little enough power at the present time.

If the Legislature itself and the committees do not have power to make motions to rearrange their business, even if the government majority may defeat that, without incurring a penalty of loss of debate time in other areas, I feel that is a

very serious infringement of the privileges of members of the House.

Mr. Chairman: Okay, are you ready to proceed?

Mr. Foulds: No. If it is your ruling that this time is being taken out of the debate in the standing committee on resources development, I must respectfully challenge your ruling and ask for a recorded vote.

Mr. Chairman: Challenge by Mr. Foulds.

All in favour of the ruling? All opposed?

The ruling stands.

Mr. J. A. Reed: May I have a recorded vote on that one too, please, Mr. Chairman?

Mr. Chairman: The same vote minus one?

Mr. Foulds: Well, you can wait for the member for Algoma (Mr. Wildman) to come back if you want. Have the same vote.

The committee divided on the chairman's ruling, which was upheld on the following vote:

Ayes

Andrewes, Fish, Lane, Kolyn, McNeil, Villeneuve.

Nays

Eakins, Foulds, Reed, J. A., Riddell.

Ayes 6; nays 4.

Mr. Foulds: Is the member for Algoma included with—

Mr. Chairman: I am not sure. The member for Algoma indicated just before he left that he supported the chair, and his parting comments were how—

Mr. Foulds: Let me be very serious for a minute. He was supporting the chair only in so far as you ruled that the motion was in order, and I must say—

Mr. Chairman: There is no point in speculating on it. He is not here.

Mr. Kolyn: We cannot read his mind.

Mr. Foulds: I can read his mind.

Mr. Chairman: I am sure I know how he would have voted.

Mr. J. A. Reed: It was the Tories who cut off the resource development estimates time.

Mr. Chairman: I do not think we want to get into any more debate on procedures or on who is doing what. Suffice it to say that there certainly are ample opportunity and many vehicles for arranging the business of the committees, and I think it is with unanimous three-party consent that we were here today. To that end we have the Provincial Secretary for Resources Development (Mr. Henderson). Do you have opening remarks for us?

ESTIMATES, RESOURCES DEVELOPMENT POLICY

Hon. Mr. Henderson: Yes, Mr. Chairman, I do have a few opening remarks here. Before I get into my remarks, though, I want you to know that this is the second time within a year that I have appeared before this committee. Last year I was in a different role; today it is as Provincial Secretary for Resources Development, and your capabilities have proven themselves again here this morning in your role. Maybe that will mitigate a little bit of debate and argument. You have proven your capabilities as chairman of this committee, and I congratulate you.

I am pleased to present today the 1982-83 estimates for the Provincial Secretariat for Resources Development. You have all received the background material that the secretariat prepared for prior distribution outlining the work of the secretariat. I would now like to take a few minutes to review in broad terms the role of the Provincial Secretary for Resources Development. The responsibilities are threefold:

I am responsible for the co-ordination and review of resources policies that arise from issues being considered by the policy field ministries.

Corporate responsibilities for native affairs are a part of my job in my role as minister responsible for native affairs.

The Niagara Escarpment Commission reports to the government through the Provincial Secretary for Resources Development.

In my responsibility for the co-ordination and review of resources policies I chair the cabinet committee on resources development. My colleagues and I review proposed new policies or revisions to existing policies put forward by ministries in the field. My staff also investigate issues and proposed policies to me on topics of concern to several ministries in the field but for which no single ministry has clear-cut responsibility. When I feel that the solutions are workable, I present them to the cabinet committee for its consideration.

Information previously circulated outlines my role and mandate with respect to native affairs. Briefly, my major responsibilities include serving as chairman of the cabinet committee on native affairs and as Ontario's representative on the Ontario tripartite council. A third responsibility, which was assigned to me this year, is to act as the minister responsible for Ontario's preparation for the Conference of First Ministers on Aboriginal and Treaty Rights. I will

speak to each of these in more detail in a few moments.

11 a.m.

The native affairs issues that the government is addressing are complex. A great deal of communication is also needed in negotiating and discussing matters with the Ontario native people and representatives of the federal government. To assist me I have my deputy secretary, an executive co-ordinator and three policy advisers.

With regard to the Niagara Escarpment Commission my role is to serve as the minister through whom the commission reports to government. The commission's work to develop a plan for land use in the Niagara Escarpment planning area is now at the stage where the hearing officers are preparing their report for the commission. The commission will then review this report and prepare a final plan, which it will present through me to the government.

Those remarks provide a brief overview. I would now like to provide some more detailed comments on these areas of responsibility. First let me comment on resources policy development.

I am chairman of the cabinet committee on resources development, as I mentioned. In addition to the Resources secretary, the cabinet committee on resources development is made up of the ministers of Agriculture and Food, Energy, Environment, Industry and Trade, Labour, Municipal Affairs and Housing, Natural Resources, Transportation and Communications, Tourism and Recreation, and Northern Affairs. The last one is also a member of the cabinet committee on social development and the cabinet committee on justice.

This composition reflects some changes from last year. In February it was announced that there would be a Ministry of Industry and Trade, a Ministry of Tourism and Recreation, and a Ministry of Citizenship and Culture. This new structure meant that the responsibilities of the former ministries of Industry and Tourism and Culture and Recreation were changed to make a new arrangement to serve the people of Ontario better.

The new Ministry of Industry and Trade brings together programs serving the highest job-generation capabilities in the province and focuses particularly on economic growth and development. A new emphasis in the ministry's mandate is the development of an internationally competitive industry through expanded

trade activities, new investment and the introduction and transfer of high technology.

Important for this purpose are the creation of the IDEA Corp. and of six high-technology centres. The IDEA Corp. will promote the process of technological innovation in Ontario. The technology centres will adapt and demonstrate technology useful to both industry and commerce and advise industry on how this technology might be applied best.

The ministry's trade assistance programs have also been strengthened to provide more assistance for import replacement opportunities for domestic manufacturers and to encourage a greater penetration of world markets. World trade over the past two decades has grown by seven per cent annually. Ontario, which gets 34 per cent of its wealth from the export of goods and services, must be in a position to take advantage of these opportunities.

The new Ministry of Tourism and Recreation was created to make sure Ontario had a better way to develop and deliver programs in the hospitality and recreational areas. This allows us to improve services and programs for tourists and recreational users for greater economic benefits for all of us. The role of the new Ministry of Tourism and Recreation will be to develop policies and programs to promote tourism and recreation, to encourage the use of Ontario's parks and to support the efforts of tourist operators in promoting and developing tourist attractions in this province. Adequate opportunities are also to be available—

Mr. J. A. Reed: On a point of order, Mr. Chairman: Pursuant to your ruling a few minutes ago about the clock running from 10 o'clock this morning on the resources development committee estimates, I would like to call to your attention two precedent occasions where motions had been made prior to the commencement—

Mr. Chairman: With respect, I do not think that is a point of order at this time in the proceedings.

Mr. J. A. Reed: Mr. Chairman, we have had a debate concerning the allocation of time on the standing committee on resources development and I think I owe it to the chair at this point, before bringing it up on another occasion, to ask the chair to consider two precedent cases—one on October 13, 1982, in the standing committee on social development, and one of November 19, 1980, in the standing committee on administration of justice—and to reconsider that opin-

ion on whether or not the actual business order had begun today when the motion was made. I would ask him to do that. He is flying in the face of common practice in this Legislature.

Mr. Chairman: I would be glad to take anything under advisement at any time, if a member wishes to place anything with me. If you wish me to look at it in that light, an information you may want to leave with me will be fine. I would be glad to take it under advisement.

Mr. J. A. Reed: Would you report back to this committee?

Mr. Chairman: Absolutely.

Hon. Mr. Henderson: I want to thank this honourable member for giving me a breathe for a few minutes. You are very kind. I appreciate that opportunity.

Adequate opportunities are also to be available to allow people in Ontario to follow recreational sports and fitness activities they feel they require for their needs and interests. To benefit us all, the wise use of Ontario's man- resources requires careful review of new proposals. Changes to existing policies also help make older programs serve present needs better.

In the past year, we have carried out and announced many improvements. We have introduced a child restraint program to protect children from injury in cars. We are improving both GO bus service and commuter rail service to compensate for Via Rail's withdrawal from several important routes. We are expanding the education and training programs for energy conservation to be sure that we have a better informed public. A program to encourage pilot projects using peat and waste wood is being developed. Domestic marketing is being expanded to increase Ontario's share of the market through market research services and other actions.

We are encouraging the federal government to consider new uses of unemployment funds to allow laid-off workers to work in several areas for example, conservation projects. The new Human Rights Code has been proclaimed. Through an amendment introduced to the Municipal Act last spring, municipalities will be able to conduct their business in French as well as English.

The resources access program was given extra funding to allow faster road construction so that mature stands of timber can be harvested and forest management improved. Special employment programs in the area of fisheries and provincial parks maintenance have been

introduced. We are expanding the tourism market program to encourage tourists from the United States and Europe to visit Ontario.

The agricultural energy management program has been expanded to help farmers adjust to changing energy supply and prices. A program to upgrade drydock facilities is under way to maintain Ontario's own position and to allow us to handle foreign requests. This is a partial list of many improvements.

The Provincial Secretary for Resources Development is also responsible for the land use committee. The work of this committee is important in making sure the policies adopted by ministries affecting land use are carefully studied before the cabinet committee on resources development reviews them.

During the past year, the land use committee has been investigating the problem of soil erosion and sedimentation of water courses. The purpose of the committee's task is to prepare a report to cabinet on the extent of problems associated with erosion and sedimentation in Ontario and recommend ways in which ministries can improve the level of services to the agricultural community.

1:10 a.m.

For many years, various ministries have implemented programs to reduce the adverse effect of soil erosion. The ministries having a major interest in the matter include Natural Resources, Agriculture and Food, and Environment. The establishment of the provincial tree nurseries and reforestation programs in southern Ontario, for example, are direct responses to the problem of wind erosion. The establishment of conservation authorities was also an effort to deal with soil erosion and sedimentation on the basis of watershed planning. The Ministry of Agriculture and Food has funded programs over many decades to deal with soil erosion. The Ministry of the Environment monitors and evaluates water quality in problem areas and also provides technical advice.

Other ministries are also involved. The Ministry of Transportation and Communications has ensured that highway design and construction practices deal with drainage and slope stability as a means of countering erosion. The Ministry of Municipal Affairs and Housing has recently become involved with erosion and sedimentation problems resulting from the development of urban areas.

It is estimated that among these ministries the government spends between \$6 million and \$7 million annually on erosion and sedimentation

control problems. Furthermore, our studies show that staff of the various ministries understand the technical aspects of the problem very well and are familiar with the techniques of problem abatement and conservation.

The interministry committee on erosion and sedimentation was formed at the request of senior staff in several ministries to provide a forum for the discussion of problems and the integration of programs. The interministry committee reports to the provincial land use committee through its chairman, Mr. M. Garrett, director, conservation authorities branch, Ministry of Natural Resources.

The present status of the committee's work is that during the past 18 months a thorough investigation has been undertaken of erosion problems in Ontario, government control programs, the allocation of staff resources and liaison between ministries in the field.

The committee's objective in the coming months will be to prepare a report for the consideration of the cabinet committee on resources development which provides a statement of the erosion and sedimentation problem in Ontario from a collective point of view. The report will identify and make recommendations regarding geographic areas of the province which are highly prone to erosion and where funds and manpower resources should be directed. Cost estimates will also be provided for implementing remedial measures.

The benefits of the committee's work will be co-ordinated advice to farmers and builders on soil erosion and the gradual improvement of the quality of water in rivers, streams and lakes.

The secretariat is also responsible for the deputy ministers' committee on occupational health and safety, which my deputy chairs. The core members of the committee are the deputy ministers of Environment, Labour, Health and Natural Resources and their senior technical advisers. The deputy ministers of Consumer and Commercial Relations and Energy may also attend for specific topics.

This committee was established to supervise the implementation of the recommendations of the Ham commission on occupational safety. At the time, it became clear that resolving complex issues involving the environment and the work place would require the co-ordination of advice from scientific and technical experts and the interpretation of that information in the policy development process.

An example of this kind of problem would be the deputy ministers' committee's efforts to

co-ordinate the activities of ministries dealing with the expansion of uranium mines at Elliot Lake. Between 1978 and 1982, the committee ensured a co-ordinated government approach to public hearings of the Environmental Assessment Board into the mining operation and its effects. Subsequently, the committee supervised the preparation of the government's response to the board's findings and recommendations.

Early this year, the committee recommended to the cabinet committee on resources development the formation of a standing interministry committee of senior advisers to monitor the environment and to ensure that the mining expansion conforms with federal and provincial regulations. The issues arising during the committee's involvement with the mining expansion at Elliot Lake involved the wise management of tailings disposal areas, water quality, radon gas in homes and the clarification of federal and provincial roles in the regulation of radioactive substances.

A major recent concern has been the establishment of a process to ensure the appropriate analysis of building materials. These may pose a health hazard to users either during manufacture and application or after a building is occupied. A subcommittee of senior technical advisers from the ministries of Consumer and Commercial Relations, Environment, Health and Labour has been formed. The group's first priority is the analysis of substitutes for asbestos. The results of this review will be conveyed shortly to the royal commission on asbestos.

The role of Ontario in the Canadian Council of Resource and Environment Ministers is also co-ordinated by the secretariat. The CCREM provides a forum for intergovernmental consultation for federal and provincial ministers who have responsibility for resources and the environment. Ontario ministries involved include Environment, Natural Resources, Agricultural and Food, and Intergovernmental Affairs.

As Provincial Secretary for Resources Development, I serve as a member of the board of directors of the Canadian Council of Resource and Environment Ministers, which includes ministers from each province and the federal government. Support to the council is provided by a committee of deputy ministers and senior government officials. The deputy provincial secretary serves on the CCREM executive committee of co-ordinators.

The CCREM meets annually. The most recent meeting was held September 28 and 29 of this year in Regina. Topics discussed at the Regina

meeting included hazardous wastes, control toxic substances, pesticides, state of the environment reports and the Canadian Inter-agency Fire Centre. Also, as a result of the Regi meetings, the council reaffirmed its position with regard to an acid rain control program involving a 50 per cent reduction of sulphur dioxide emissions east of the Saskatchewan-Manitoba border, contingent upon parallel U.S. action.

Mr. Wildman: That's known as the Regi manifesto.

Hon. Mr. Henderson: Whatever you want to call it. Next year's annual meeting of the CCREM is to be held in September in Fredericton, New Brunswick.

As provincial secretary, I also serve as vice chairman of the Board of Industrial Leadership and Development, and sit on the Management Board of Cabinet and the policy and priorities board. Each of these important committees has a distinct role in the policy development process.

BILD is a committee of cabinet, chaired by the Treasurer (Mr. F. S. Miller), with responsibility for consolidating and co-ordinating Ontario's economic development strategy and providing a focus for economic liaison with the federal government and other concerned interests including the private sector. This cabinet committee consists of the chairman, vice-chairman and seven other ministers. BILD's prime concern is our economic wellbeing during the 1980s. It is actively involved in the creation of programs designed to correct, adapt to, or take advantage of changes that are expected during this decade.

Management Board of Cabinet is responsible for co-ordinating the financial and administrative operations of the government. The board reviews all ministry policy submissions with financial or administrative implications including program proposals, annual estimates, new legislation and regulations, as well as organizational changes. The board consists of the chairman, vice-chairman and six other members of the executive council designated by the Lieutenant Governor in Council.

11:20 a.m.

The policy and priorities board of cabinet brings an overall perspective to proposals being developed for consideration by the cabinet and eventually the Legislature. The board is chaired by the Premier (Mr. Davis), and includes the Chairman of Management Board (Mr. McCague), the Treasurer and the provincial secretaries of

the three policy fields, Justice (Mr. Sterling), Resources Development, and Social Development (Mrs. Birch), and the Minister of Intergovernmental Affairs (Mr. Wells).

Important policy issues arising from the cabinet committee on resources development will often be sent on to Management Board if there is a financial or administrative matter involved and to policy and priorities board if it has an overall impact on government. An example is the annual budget allocation process.

The second major area I would like to address is native affairs. When I was appointed Provincial Secretary for Resources Development I was also named minister responsible for native affairs by a special order in council. Under this mandate it is my responsibility to develop important government-wide policies on matters which affect native people in Ontario.

Another important aspect of my responsibility is the co-ordination of corporate communications and negotiations including the tripartite negotiations and any mediation process with native organizations. This means also providing guidance to and co-ordination of interministerial activities.

However, I would like to stress that my office is not responsible for the operation of programs for native people. Program responsibility rests with the line ministries and central agencies in keeping with their respective mandates.

In my role, I am assisted by a cabinet committee on native affairs. The cabinet committee consists of the ministers from each of the policy fields as well as the Minister of Intergovernmental Affairs, in order to assure broad review of all native affairs and issues by all relevant areas of government.

During the few months that I have chaired the cabinet committee on native affairs, the committee has considered native employment initiatives which several ministries are proposing. The committee has also looked at the federal-provincial agreements which provide special opportunities for native people.

The third area the committee has reviewed has been those issues under discussion in the tripartite forum. As you are aware, the tripartite discussions involve representatives of Ontario, the federal government and the Indian people of Ontario. We are pleased that Justice Hartt has agreed to continue to facilitate negotiations and discussions between the governments and Indian representatives.

Another important area the committee has reviewed is organization of the province's prepa-

ration for the first ministers' conference on aboriginal and treaty rights. As you are aware, section 37 of the Constitution Act, 1982, requires that within the first year after patriation of the Constitution the Prime Minister call a meeting of first ministers to identify and define the rights of aboriginal people in Canada. According to the act, the Prime Minister must invite representatives of the aboriginal people to discuss this issue with the first ministers.

An important aspect of our preparations for this meeting includes consultation with native leaders in Ontario. We are committed to and have already begun meetings with representatives of the four status Indian organizations: the Union of Ontario Indians, Grand Council Treaty 3, Grand Council Treaty 9, and the Association of Iroquois and Allied Indians.

Other organizations with whom we are meeting are the Ontario Métis Association and the Ontario Native Women's Association. The purpose of our discussions with these associations is to better understand their views with respect to aboriginal rights and treaty rights. We will be attempting to identify those areas where we might be able to support the native positions and to understand the nature of any possible disagreements.

We recently invited members of the Ontario native associations to planning meetings with Ontario officials when they met with the federal government and the national native representatives. We hope this planning process will assist all parties to focus on the essential aspects of this complex issue and will guide Ontario's contribution to the meeting of first ministers early next year. The province is also providing funding to the native organizations to help them in developing their positions on this very important matter.

I mentioned earlier that the tripartite negotiations have been the subject of discussion by the cabinet committee on native affairs. I would like to explain more about the tripartite forum and the issues we are discussing. As you may recall, I represent Ontario on the tripartite council. Other members of the council are the Honourable John Munro, Minister of Indian Affairs and Northern Development, who represents the federal government, and the presidents of each of the four status Indian organizations. The council is ably assisted by Justice Patrick Hartt, who acts as an objective, nonpartisan facilitator in our discussions.

Tripartite discussions have proved to be challenging for all concerned. We are learning

there is a limit to how fast we can progress on issues and how many issues we have adequate resources to explore at any one time. However, I believe we have made progress this year by focusing primarily on the negotiations of fishing rights of Indian people in Ontario. My colleague the Minister of Natural Resources (Mr. Pope) has acted as negotiator for Ontario. We hope negotiations will be concluded in the very near future. From experience, I believe we will be more productive by isolating specific issues which we should address in the coming year.

On a more personal note, I felt it important early in my assignment as minister responsible for native affairs to get to know the native people in northern Ontario and particularly the leaders of the various associations. I therefore invited the native leaders to meet with me informally to get a better perspective of their views. As a result of an early discussion with Mr. Duke Redbird, president of the Ontario Métis Association, I accepted an invitation to attend the association's annual assembly held near Sault Ste. Marie in midsummer. This was an interesting experience for me. I was pleased to meet with a large delegation of Métis and nonstatus Indian people to engage in a very productive and informative dialogue with them.

Later in the summer, I had the opportunity to meet with a number of chiefs, their councils and individual members of some of Ontario's northern Indian bands. I met first with Chief Jowin Ouequish of Weagamow. The chief reviewed with me a number of issues of concern, including the band's discussion with the Ministry of Natural Resources and the Ministry of Northern Affairs regarding winter roads. On my return, I contacted the ministers concerned and I understand this project is progressing well.

While I was there, I also had the opportunity of touring their newly completed band council hall which band members had built with federal and provincial assistance. I also noted that the community was renovating the Anglican church. I was very impressed by the activities and the prosperity of this fine community.

Following this visit, I proceeded to Big Trout Lake where I met with Chief Emesiah Beardy and his councillors. We again discussed numerous issues and concerns as well as their plans for the future. I also visited the newly built medical clinic. I learned from the nurses, who were from Barry's Bay, Hamilton and Toronto, that this was a thriving community and they were glad they had made the choice to work in northern Ontario. I also met with the Anglican minister,

who had a very active congregation. On the evening of my visit, they were preparing a community dinner.

11:30 a.m.

The next morning, I went to Fort Severn and met with Chief Ennis Crowe, members of his council and other members of the community. I was very impressed with Fort Severn, which is Ontario's most northerly community, and with the prosperity that is exhibited there. I encourage each and every member of this committee to visit that part of Ontario.

I had planned on visiting with Chief John Wabano at Winisk. Unfortunately, because of to weather conditions, we were unable to meet. However, I did meet with the community and council of Moose Factory Island. I toured the renovations of community buildings being carried out by the Ministry of Northern Affairs as well as the work that is being done on the church by the community.

Overall, I was most impressed by the many projects that are under way in these remote Indian communities.

Finally, I should like to comment in some detail on the Niagara Escarpment Commission. This year, the proposed plan for the Niagara Escarpment moved a step closer to completion. In the summer, hearing officers completed more than two years of public hearings on the proposed plan. By the new year, I expect the hearing officers will complete the reports of their findings and recommendations and will submit those documents to the commission.

The Niagara Escarpment Commission was established by legislation adopted in 1973. The purpose of the Niagara Escarpment Planning and Development Act is to provide for the maintenance of the Niagara Escarpment and land in its vicinity substantially as a continuous natural environment. The act also ensures that development should be compatible with that environment.

The Niagara Escarpment Commission was established shortly after the adoption of the legislation and held its inaugural meeting in November 1973. The commission is composed of 17 members. Nine members are appointed as representatives of the public at large, and eight members are representatives of counties and regional municipalities along the Niagara Escarpment.

The commission is assisted in its tasks by a staff of 39 persons located in offices at the headquarters at Georgetown. The offices at Grimsby and Cookstown deal with public inquir-

ies and applications for development permits in the Niagara Escarpment control area.

Since it was formed, the commission has undertaken two basic tasks. The major task has been the preparation of a proposed plan for the entire Niagara Escarpment. The other has been the administration of a system of development control for the area of the plan.

On average, the commission meets every other week. Even though membership on the commission is of a part-time nature, members meet with people to deal with their inquiries and attend the meetings of municipal councils, planning boards and interest groups.

The proposed plan for the Niagara Escarpment endeavours to meet the goal and objective of the Niagara Escarpment Planning and Development Act, 1973. Some of those objectives include: the protection of unique ecologic and historic areas, the protection of natural streams and water supplies, providing opportunities for outdoor recreation and supporting municipalities in the exercise of their planning functions.

The commission began the task of preparing a proposed plan for a planning area of approximately 2,000 square miles, or 1.3 million acres. This was an extremely large area, some parts of it being as far as 10 miles from the brow of the escarpment. In addition, the commission found itself drawn into problems with little or no direct relationship to the escarpment. In addition, municipal councils and area land owners had difficulty in comprehending the commission.

As the commission worked to develop a plan, it began to question the large size of the planning area and the implications on local planning. It found as well that the entire area included a large number of problems associated with such matters as urban development, tender fruit land, agricultural land, quarrying, forest protection and other issues related to the preservation of natural resources.

By 1978, the commission had prepared preliminary proposals for the entire planning area. While the legislation did not specifically require such a document to be prepared, the commission's view was that the review of this document by the wide variety of interests along the escarpment would develop a sound basis for the proposed plan.

Reactions to the preliminary proposal were mixed. In general, most municipalities were of the opinion that the planning area was too large and the proposals too complex. Some groups expressed support for some proposals, while others rejected them outright.

The proposals provided a good basis for discussions with municipalities and the public. This part of the process enabled the commission to highlight certain ideas and to screen out others that were unacceptable.

In addition, in May 1978, the commission recommended to the government that the proposed plan be prepared for an area approximating the most environmentally sensitive areas. The recommendation was accepted.

After much consultation with municipalities and interest groups and the gathering of additional data, the commission defined the boundaries of the area to be covered by the proposed plan. This area is 742 square miles, which represented a reduction of 63 per cent of the original 2,000-square-mile Niagara Escarpment planning area defined in 1974.

The proposed plan for the Niagara Escarpment was published in the late fall of 1979. The document includes land use policies, general policies governing parks and land acquisition. Recommendations are also included regarding such subjects as heritage areas, development control, tourism and agriculture.

The land use policies explain the way in which land will be used throughout the area of the proposed plan. Seven land use designations are described: escarpment natural areas, escarpment protection areas, minor urban centres, urban centres, escarpment recreation areas and mineral resource areas.

In the plan, objectives are outlined for each designation, followed by the criteria applied in their mapping. Land uses and practices that are appropriate within each designation are also listed.

In March 1980, the Niagara Escarpment Commission appointed hearing officers to conduct public hearings on the proposed plan.

Beginning a month later, the hearing officers dealt first with the plan as a whole, with hearings held at Ancaster and Owen Sound. After the first-phase hearings were completed, submissions were heard on detailed concerns at a number of centres along the escarpment. Supplementary hearings to provide a last opportunity for submissions to be made were conducted early this past summer and were completed in August.

I understand that more than 650 submissions were made to the hearing officers. This suggests to me that the hearings served a very useful purpose for people to make known their views and concerns about the proposed plan.

By the end of January 1983, I expect the

hearing officers will complete reports on the hearings. By legislation, they are expected to submit a summary of the representations made at the hearings together with a report stating whether the plan should be accepted, rejected or modified. Separate reports also will be submitted for each part of the Niagara Escarpment planning area for which a hearing was held.

After considering the reports of the hearing officers, the Niagara Escarpment Commission will submit the proposed plan with its recommendations to me. It is anticipated the commission will submit a package to me by July 1983.

After giving consideration to the recommendations of the commission and the reports of the hearing officers, I will submit the proposed plan along with my recommendations to the Lieutenant Governor in Council, which may approve the plan outright or may approve the document with modifications.

11:40 a.m.

Until the hearing officers complete their work, it is difficult to predict when the Niagara Escarpment plan will be approved. My consideration of the reports and recommendations will be undertaken with due speed, bearing in mind the desire of the municipal authorities and interest groups to see the process completed.

I mentioned a few minutes ago that the commission was assigned two tasks. The second of those tasks was the administration of development control. This is a system in which every proposed development is judged on its own merits. If it is found compatible within existing planning policies, the development is approved subject to conditions.

Development control came into existence in 1975 and included an area of 957 square miles flanking the escarpment. At the time, this area was judged to be the most sensitive from an environmental point of view.

The commission approached development control in the following way.

1. If the commission, on consulting the approved guidelines, concluded that the proposed development would not likely compromise the final plan, it approved a development permit subject to conditions designed to reduce or eliminate any possible adverse effects of the development on the natural and visual environment. Such conditions included landscaping, building location, siting, grading, tree cover, preservation of existing vegetation and so on.

2. If the commission concluded, after a staff report, a site inspection and a summary of

municipal concerns, that a proposed development was contrary to the existing guidelines and might run counter to the final plan, it refused a development permit. In effect, this meant the ultimate decision on whether the development should proceed was deferred until the plan was completed.

By this year, more than 6,500 permits have been dealt with, and more than 90 per cent of those have been approved subject to conditions. Applications that have been refused were principally those that did not meet normal municipal or health standards, or where the building lot had not been created. Other exceptions included lots situated on the escarpment brow, undersized lots, lots located on flood plains and lots not fronting on a public road.

There is provision made in the Niagara Escarpment Planning and Development Act for appeals regarding the commission's decision on development permits. In these cases, the Minister of Municipal Affairs and Housing appoints a hearing officer to conduct a hearing at which representations may be made.

Following the hearing, the officer submits to the minister a summary of the representations and his opinion on the merits of the applications for the development permit. The minister may issue a development permit, refuse the permit or issue the permit subject to conditions.

Before assuming responsibility for this portfolio, I was familiar in general with the workings of the Niagara Escarpment Commission. Shortly after my appointment, however, I undertook to familiarize myself with the Niagara Escarpment area and the commission's operations.

This summer, I met with members of the commission at one of their regular meetings. That day I was also fortunate to have the opportunity to fly along the escarpment accompanied by the chairman, Ivor McMullin, and some of his staff. This flight enabled me to view at close hand some of the important areas along the escarpment.

May I also recommend to you the commission's very worthwhile film, called *The Giant's Rib*, which gives an excellent overview of the escarpment and the issues facing the commission. I understand the film is very popular and is aired frequently by television stations along the escarpment.

During the past few months, I have also had meetings with individuals and representatives of interest groups to discuss their views and concerns about the escarpment.

In addition to familiarizing myself with the

escarpment and the commission's activities, I have also ensured that certain transitional arrangements involving development control are implemented.

Last October, cabinet approved a proposal by the Niagara Escarpment Commission to remove development controls from those portions of the Niagara Escarpment planning area that are outside the proposed plan for the escarpment. Development control will remain in place for the lands affected by the proposed plan. The proposal would affect approximately 142,000 acres of the total 617,000 acres of land in the Niagara Escarpment planning area currently under development control.

Before cabinet discussed the proposal, the commission consulted all affected municipalities to obtain their views on the proposed changes. The majority of municipalities supported the proposal. Staff of the Ministry of Municipal Affairs and Housing have contacted the 32 municipalities affected to seek their assistance on the implementation of the proposal.

Removal of development control from the areas outside the proposed plan will be phased on a selective basis. Where there is a request from a municipality to remove the control and the ministry is satisfied it can be replaced by adequate municipal zoning controls, the municipalities will be permitted to resume responsibility for the land. The Niagara Escarpment Commission will remain responsible for the remaining 475,000 acres under development control within the area covered by the proposed plan for the Niagara Escarpment.

While the Niagara Escarpment Commission has prime responsibility for the area covered by its proposed plan, the province and the commission will continue to work with municipalities to ensure that the broader objective of the Niagara Escarpment Planning and Development Act are met for the remainder of the planning area which is not subject to development control.

I am pleased to say that last week I signed regulations to bring the boundaries of the development control into conformity with the proposed plan boundaries in the regional municipality of Niagara. This will be followed in a few weeks by adjustments in the county of Dufferin. I expect this process to be complete by the time the proposed plan has been approved by the Lieutenant Governor in Council.

With respect to the acquisition of land along the escarpment, where possible, I have encouraged the Ministry of Natural Resources to allocate resources for the acquisition of key

properties. There are now approximately 83,000 acres of land in public ownership along the escarpment. Of this amount, the Ministry of Natural Resources owns about 50,000 acres, and the remaining 33,000 acres are owned by conservation authorities. These lands are located at key recreation areas and scenic points along the entire length of the escarpment.

The preparation of a plan to preserve the Niagara Escarpment has occupied nearly 10 years of activity on the part of the Niagara Escarpment Commission. Considering the issues and complex nature of the task, it is to the commission's credit that so much has been done to complete the process in that time.

The people of Ontario and land owners along the escarpment itself have a substantial interest in this beautiful area. Their views both for and against the proposed plan have been heard. Municipal authorities also have been consulted since the legislation was established. Furthermore, development was considered within a system of development control that was new to Canada at the time it was established. I am confident that what remains of the process to complete the plan can be undertaken in a short period of time.

Mr. Chairman, this concludes my opening remarks.

My deputy, John Thatcher, whom most of you know, is with me this morning, and a number of my policy advisers are in the audience.

Also present is Mr. Ron Vrancart, director of planning for the Niagara Escarpment Commission. Mr. Ivor McMullin, chairman of the commission, is here this morning and will be available Thursday night as well.

We are quite free to go ahead from here in any way you wish to go, Mr. Chairman. I do appreciate this opportunity to try to present to the committee an idea of what is happening to the resources of Ontario.

11:50 a.m.

Mr. Chairman: Thank you very much, Minister. Before I ask Mr. Riddell to respond, Mr. Laughren is the critic for the New Democratic Party on this and cannot be here until next Tuesday. If the committee concurs, we can allow Mr. Laughren some time next Tuesday evening to respond.

Hon. Mr. Henderson: Mr. Chairman, has he left any idea of what his party has concerns about? It would be sad to carry a vote in one part that he might want to discuss.

Mr. Chairman: I do not have firsthand knowledge of this, but I understand that he is concerned particularly with forestry, native affairs and the Niagara Escarpment Commission. I was not informed of that directly by him. Mr. Laughren is visiting the northern communities in his riding right now. He had arranged that tour prior to realizing that the estimates were on this week; otherwise, he would have been here.

Hon. Mr. Henderson: Mr. Chairman, we are ready to proceed with whatever part. We are in your hands.

Mr. Chairman: Just for the benefit of the committee, if there is no objection I would like to allow Mr. Laughren some time next Tuesday to respond, regardless of what stage the estimates are at. Is that a reasonable way to proceed?

Mr. Andrewes: You are a reasonable chairman.

Mr. Wildman: If that is agreeable to the rest of the committee, I appreciate the suggestion.

Mr. Chairman: Mr. Riddell, does that sound all right?

Mr. Riddell: I am in your hands, Mr. Chairman.

At the outset of my remarks, I would like to congratulate the minister on his February 13, 1982, appointment to the position of Provincial Secretary for Resources Development. I am a substitute player in this field. The critic could not be here to carry these estimates. My leader thought I had done such a good job of shadowing the minister when he was in the agricultural portfolio that I would be a suitable person to proceed with the estimates on behalf of the Liberal Party.

I fail to understand why the New Democratic Party could not substitute someone to proceed with their part of the estimates. However—

Mr. Wildman: We would have done that, but we thought it would be better to give Mr. Laughren the opportunity, since he wanted to make his presentation, than to have a substitute.

Mr. Riddell: I will be making some remarks on issues that are being considered by the policy field ministries. One of them is acid rain. I will be commenting on the provincial secretary's responsibilities for native affairs, and I will be commenting on the Niagara Escarpment Commission. These are three of the major points which the minister outlined in the presentation he made prior to my beginning. I think it is essential at the outset to discuss the mandate of the provincial secretariats which have been established in Ontario.

By the way, I will be posing a series of questions. I sincerely hope the minister's staff will be jotting down these questions and then providing him with answers if he does not have them just off the top of his head. Otherwise, as far as I am concerned, this is just an exercise in futility. I have been in too many committee meetings where I have seen many questions posed by opposition members and then being totally ignored for the duration of the estimates. If that is the way we are going to proceed, I will tell you right at the beginning it is an exercise in futility.

Hon. Mr. Henderson: Mr. Riddell, would you prefer at the end of your remarks that I go through the situation, or would you prefer that I answer each point?

Mr. Riddell: The normal procedure is for the critic of the Liberal Party to make his presentation, and then the critic of the New Democratic Party to make whatever presentation he has to make. Then the minister responds to any questions we pose at that time. That is the procedure I would like to see followed.

Hon. Mr. Henderson: All I am talking about, Jack, is you mentioned there are a series of questions—

Mr. Riddell: As I make my remarks, you will see that I will be posing a series of questions. I simply would like to have these questions answered by you after we have made our presentation.

Hon. Mr. Henderson: Mr. Chairman, I would like to finalize this. Let us say you have six questions—it might be 26—but let us say six, just for a figure, and I come back with a response to those six. I think it would be quite fitting that I respond to number one and we have a dialogue, then you go on to number two.

Mr. Riddell: That is fine.

Hon. Mr. Henderson: That is all I wanted to have clear. It would not be a statement.

Mr. Eakins: He just did not want you to do what Margaret Birch used to do and say, "I will take it under advisement." He wants an answer.

Hon. Mr. Henderson: We will respond.

Mr. Riddell: Thank you. In the early 1970s the committee on government productivity indicated that there were four reasons taxpayers in this province should pay for establishment and ongoing activities of the so-called superministries that have been created. These four reasons included the following: Ministers do not have the time for policy-making; government has

grown too big and complex; a priority system is required; and government departments must no longer act independently of one another.

Lest I sound at all condescending, I would submit that the Provincial Secretariat for Resources Development has not really acted as the co-ordinating, integrating, priority-ranking and policy-making ministry it was indeed formed to be. This is no reflection on you, Mr. Minister, because you are relatively new in your portfolio, but I think it is a reflection on your predecessors within that field.

In the resources field we see very little co-ordination of effort going on. The priorities of this government seem entirely out of whack, when investment goes beggingn our indigenous resources sector, yet this government chooses to invest \$650 million in a US-based oil company.

In suggesting that policy secretariats be established, the committee on government productivity suggested we could expect green papers outlining government policy. Where after all these years are those green papers? Where are those ideas on policy initiatives that were envisaged? The estimates information booklet for the Provincial Secretariat for Resources Development states the following on page 1: "The main responsibilities of the secretariat...are threefold: to provide a focal point for the development of government-wide policies for subjects of concern; to provide leadership and guidance in the co-ordination and implementation of projects for which no single ministry has clear-cut, primary responsibility; and the capability for a policy analysis capacity to the provincial secretary."

I would submit, based on the listing of these responsibilities, that one of the primary areas in which the provincial secretariat should be deeply involved is the area of acid rain. You alluded to that somewhat in your presentation, Mr. Minister. Acid rain, in my mind, is not merely an environmental issue. Of those ministries that comprise the cabinet committee on resources development, for which the provincial secretary is chairman, the issue of acid rain is of importance to the following ministries: Agriculture and Food, Energy, Environment, Industry and Trade, Natural Resources, Northern Affairs and Tourism and Recreation.

It does not appear that the provincial secretary is involved extensively in this issue. The provincial secretary does sit on the Canadian Council of Resource and Environment Ministers, the council which has suggested that there be a 50 per cent reduction of sulphur dioxide

emissions east of the Saskatchewan/Manitoba border contingent upon parallel action in the United States. However, the provincial secretary and his secretariat are not providing a focal point for the development of government-wide policies on the issue of acid rain; they are not providing leadership and guidance in co-ordinating and implementing projects on the issue of acid rain; they are not providing a policy

12 noon

For an issue that impinges on facets of so many ministries it is inconceivable that the Provincial Secretariat for Resources Development does not have a greater role in this issue. It is for this reason that I would like to outline to the provincial secretary and the members of this committee the importance of the issue of acid rain as it relates to the responsibilities of the Provincial Secretariat for Resources Development.

We in the Ontario Liberal Party have some very specific policies relating to the abatement of acid gas emissions because we understand the enormous economic impact that acid rain has had and will have in the future. We have taken a holistic overview of the matter to formulate our policies, and we would submit that the Provincial Secretariat for Resources Development should be doing the same.

To date, the only discussion of acid rain in economic terms has focused on the cost of turning it off. In surprisingly short order, governments such as the Ontario government, utilities such as Ontario Hydro and industries such as Inco have been able to project frightening multibillion-dollar expenditures which would be needed if acid rain sources are to be curbed in North America. One recent prediction runs close to \$5 billion over a decade for Canada alone.

There is much to suggest that such sums are exaggerated, based as they are on traditional technology and corporate analysis; but much more important, these costs are grossly deceptive. They loom as large as they do, casting shadows of galloping inflation, corporate bankruptcy, job loss and skyrocketing consumer prices, because they stand alone. The other cost of acid rain, that of the economic damage which is occurring, has been left unconsidered.

The task of calculating acid rain damage is admittedly far more intricate than the abatement estimates, and governments and decision-makers have so far chosen to ignore the question because they do not know its exact dimensions. But there is already some evidence that

the cost of acid rain is so enormous it could undermine the financial stability of entire regional economies; and while the detailed damage reports are still unavailable, there is much to gain by recognizing the enormity of what is at stake.

Let us consider some of the chilling realities of acid rain. Extensive research over many years indicates that much of Ontario and eastern Canada is sensitive to acid rain because of a lack of natural buffering, or neutralizing capacity, in the rocks and soil. Coincident with this fact is the observation that hundreds of lakes in Ontario are devoid of fish because of acidification.

The most recent lake-by-lake sensitivity survey by the Ministry of the Environment, released in April 1982, indicates the sensitivity of 2,624 lakes. It indicates that 117, or five per cent, are already acidified; 334, or 13 per cent, are extremely sensitive; and 930, or 35 per cent, are moderately sensitive. This was just a sample survey, but it indicates that fully 53 per cent of the lakes are moderately sensitive to acidified. If we extrapolate those figures to all lakes in Ontario, especially if emissions continue at present levels, we will witness the insidious demise of thousands of lakes.

The provincial secretary must consider these facts in light of the impact that the aquatic effects of acid rain is having on tourism and, therefore, on the provincial economy. For instance, owners at more than three quarters of the 1,600 lodges and road's-end resorts across northern Ontario see a dim future because of the decline in fishing resources. These owners spent more than \$65 million of their own money on buildings, cabins and boats between 1972 and 1980. They found that while their costs were being driven up by inflation, the resources they had to offer in the form of fish stocks, which included northern pike, yellow pickerel, and rainbow, brook and lake trout, were declining because of acid rain.

I want members to seriously consider the following: American tourists make up 65 per cent of the clientele at northern resorts; 85 per cent of them travel an average of 700 miles and spend an average of \$675 per visit. They come for only one reason, and that reason is fishing.

American and Canadian fishermen generate more than \$120 million in annual direct and indirect revenue, creating more than 10 per cent of the 200,000 northern jobs available. One survey of fishing lodges in Ontario, which serve only 12 per cent of the more than 16 million fishing occasions that take place in an average

year, noted that almost 600 fishing lodges could go belly up within 20 years if the acid rainfall continued, killing about 6,000 jobs and \$28 million of the annual income in the area.

We also have to consider the following facts when we look at the economic impact of acid rain on the tourism sector. For instance, tourism is the second-largest industry in the province. This sector of our economy directly accounts for \$5 billion in annual revenue and 470,000 jobs, nearly six per cent of the total gross provincial product and 11 per cent of the jobs.

Nearly \$900 million is spent just in the area from the Bruce Peninsula to the Muskoka-Haliburton boundary and all of the northeastern part of Ontario. This area contains approximately 170,000 getaway retreats and fosters 50 million person-days of relaxation each year. While it is the cottage heartland of Ontario, much of it is the most acid-sensitive region in Ontario.

Acid rain is killing more than just lakes. It can scar the leaves of hardwood forests, wither ferns and lichens, accelerate the death of coniferous needles, sterilize seeds and weaken the forests to disease, infestation and decay. A Swedish study showed that forest growth is affected by acid rain and that an annual rate of forest growth reduction amounting to 0.3 per cent would probably be the right order of magnitude. On the basis of this finding the Swedes expect that by the year 2000 the country will suffer a 13 per cent decline in forest growth.

In the Hubbard Brook Forest of New Hampshire, an area with an acid sensitivity similar to that of forestry regions in Ontario, investigations revealed that there has been a 20 per cent decline in wood production since 1961.

Given the scientific evidence that is becoming available on the impact of acid rain on the forestry sector, the provincial secretary should be concerned about the economic impact that could occur in the future. Consider what is at stake in a national context: Trees cover 35 per cent of the land. Directly or indirectly they provide one out of every 10 jobs in the country, \$18.5 billion worth of shipped material and \$9 billion in added value in 1978, a \$10.6 billion net contribution to Canada's balance of payments in 1979. Canada is the world leader in newsprint production and export, it is second in pulp production and it harvests nearly 5 billion cubic feet of wood per year.

That is only part of the story. After a century of uncontrolled decimation the Canadian forest industry is now running out of trees. As much as

one eighth of Canada's prime forest land is not adequately stocked with harvestable trees now, and 500,000 acres more are added to the backlog each year. The worst of this forest shortfall exists in eastern Canada—in Ontario, Quebec and the Atlantic region—which provides almost half of Canada's forest productivity.

The industry and, more recently, governments maintain that they can increase the harvest from this already depleted half of the country by another 40 per cent within 25 years by using improved techniques. But what nobody seems to have considered at any length, to judge by public statements, is the risk that the forests will not grow because of acid rain. An August 1977 National Research Council report estimated that the direct annual loss to forests in eastern Canada because of acid rain lies between \$1.2 million and \$2.8 million.

12:10 p.m.

Acid rain is also taking its toll in the agricultural sector. I am sure the minister will be most interested in the effect acid rain is having on agricultural crops. There is evidence that the rain is destroying the productivity of the once-rich soils like a gigantic drenching with vinegar.

Reductions in yield for many crop species, including white beans, soybeans, corn, potatoes, grapes, onions, cucumbers, celery, pumpkin and squash, have been documented as being affected by acid rainfall. On some crop lands, tomatoes grow to only half their full weight, and the leaves of radishes wither. In Ontario, tobacco leaves are pitted and made unsaleable by the action of acid rain and associated airborne pollutants.

We know that agricultural crops are worth over \$9 billion per year in Canada, and while we cannot quantify the direct impact of acid rain on the agricultural sector of Ontario, the only sure conclusion is that untold millions of dollars worth of agricultural crops are at risk.

Acid rain is also affecting a number of materials in an adverse manner. Cement, concrete, metals, paints and even fabrics are affected by acid rain.

In 1978, the United States President's Council on Environmental Quality estimated that property damage due to acid rain is \$2 billion a year. In 1977, the National Research Council of Canada reported that sulphur emissions in the air cause an estimated \$285 million in damage per year in building deterioration, including \$70 million in exterior paint damage alone. And in 1979, the International Joint Commission reported

that 50 per cent of the corrosion of cars may be due to acid rain.

The most contentious costs of acid rain deal with human health effects. A July 1982 draft report by the United States Office of Technology Assessment notes that total sulphur dioxide emissions in the United States and Canada have been estimated to result in 51,000 premature deaths. The United States Council of Environmental Quality has estimated that sulphur dioxide alone causes \$1.7 billion worth of health care costs each year in the United States. A Canadian federal report suggests that a 50 per cent reduction in Inco's emissions could lead to reduced health costs of up to \$500 million per year.

What I have tried to document in the last few minutes is the fact that the impact of acid rain extends far beyond simply killing off lakes and eliminating some fish populations. It touches on many sectors of our economy and even our lives. Its impact is so widespread and affects so many of our resources that it is beyond conception that the Provincial Secretariat for Resources Development is not co-ordinating and implementing many of the provincial policies on this issue in a multi-faceted, interdisciplinary fashion.

It is abundantly clear that the provincial secretary is not co-ordinating efforts in the resource-related ministries and agencies on the subject of acid rain. The Minister of the Environment (Mr. Norton) has declared an "all-out war on acid rain," but the chairman of Ontario Hydro informs us that Hydro will be delaying indefinitely the installation of scrubbers at Hydro facilities.

The Minister of Energy (Mr. Welch) assures us that Hydro will meet its acid gas control regulation even without scrubbers, and will reduce emissions by 50 per cent by 1990 from 1982 emission levels, but he does not say anything about the fact that acid gas emissions from Hydro have actually increased by 31 per cent from 1980 emission levels, the year in which Hydro's acid gas control regulation was formulated. Where is the co-ordination that the provincial secretariat is supposed to be providing?

One can easily ask the same question in a number of resource policy areas. The one that immediately comes to mind is the question of land use planning.

The provincial secretary, as we all know, is responsible for co-ordinating the government's land use policies. In addition, the Niagara Escarpment Commission reports to the government through the provincial secretary. In

the light of this background, I find it hard to believe there is any co-ordination and effort when one considers the contents of a September 13, 1982, letter from Mr. C. A. Louis, of the Niagara Escarpment Commission, to Mr. R. Bugar of the Ministry of Natural Resources.

The letter concerns discrepancies between five district land use strategies of the Ministry of Natural Resources which directly affect the area under the jurisdiction of the Niagara Escarpment Commission. The letter notes that the land use plans fail to delineate the exact boundaries of the proposed plan for the Niagara Escarpment; the mineral resource maps do not show the pits and quarries restrictive zones within the proposed plan for the Niagara Escarpment; the mineral resources maps do not show the high priority mineral resource protection areas of the proposed plan for the Niagara Escarpment; and that provisions for parks and recreation conform with those approved in the Niagara Escarpment plan.

In short, the letter highlights the fact that the Ministry of Natural Resources did not even consult the Niagara Escarpment Commission when it was putting together its district land use plans. If the provincial secretary is to co-ordinate the government's land use policies, he has done a miserable job in this case.

I would like to turn my attention now to the issue of one-industry communities. This government has done nothing to address the problems facing single-resource communities in the province. The pulp and paper industry and the mining industry is the reason for the existence of many northern and eastern Ontario communities.

Severe difficulties have been experienced by one-industry towns which have lost their major source of employment, such as Caland, Steep Rock Falls, Atikokan and, most recently, Pickle Lake, with Umex mine closing, Bancroft with the Madawaska Mines closing and the recent layoffs in Sudbury. Mining and forestry shut-downs are becoming a daily occurrence in northern Ontario.

In January 1982, the provincial government joined a call for a study group with the federal government to look into the special problems of communities dependent on the mining industry for their economic health. This is just another in the long series of studies which this government has initiated on this subject but which have never produced any solutions.

It is our understanding that an in-house interministerial committee was established within the resources development secretariat in 1980

on single-resource industry communities. Perhaps the minister can enlighten us as to the terms of reference of this committee; whether this committee has been involved in providing assistance to any of the communities which have lost a major resource industry employer; are facing major layoffs; what policy on single resource communities has been developed by this committee and when they are to report.

This in-house committee was formed as follow-up to the cabinet committee on single resource communities, established in 1977, which was quietly disbanded without arriving at any solutions to this problem. There is strong suspicion that this committee never met.

How much longer must we wait for a policy to be announced by this government to diversify the economy of single-resource communities or is this government waiting for all single industry communities to disappear so that you will not have to deal with the problem?

Every area and community of northern Ontario is facing severe economic difficulties with over 47,000 unemployed as of September 1982. There are 21,000 unemployed in Sudbury and 6,000 unemployed in Thunder Bay; there is a 42 per cent unemployment rate in the mining industry and a 25.7 per cent unemployment rate in the forestry and logging industry.

12:20 p.m.

All these single-resource community layoffs illustrate more than anything else the devastating vacuum in economic policy planning on your government in the north. It is truly unbelievable that your government has not had a single sensible response to what is taking place in a province that relies so heavily on the resource industry. That irresponsibility is tragic.

The Provincial Secretary for Resources Development is the chairman of the cabinet committee on northern affairs. One of the original purposes for the creation of the provincial secretariat was policy-making. What specific programs and what policy proposals has the minister initiated to diversify the economic structure of the north?

Another area of concern which I must address is that of native affairs. The Provincial Secretary for Resources Development is the minister responsible for native affairs. As such, he must accept full responsibility for the government's inaction in this area. Indians are the victims of a government which simply does not care. They are regarded as nonresidents and thus the responsibility of the federal government. Pro-

vincial policies, however, have an overwhelming effect on Indians' lives.

While on the one hand the government makes statements professing its devotion in finding real and lasting solutions to the problems of native people, the reality of the situation is there are at present over 40 outstanding issues between the native peoples in Ontario and the government. Will the minister advise us which of these issues is closest to resolution?

Perhaps the clearest manifestation of the government's lack of social conscience can be found in your participation, or rather lack of it, in the continuing saga of the unresolved mediation process that was established in December 1978 to resolve the difficulties of the Whitedog and Grassy Narrows Indian bands resulting from mercury pollution.

Perhaps I should begin by reading the latest letter to the government from the mediator for the Whitedog band. This letter was written to the Minister of Natural Resources:

"When many put their best efforts forward in an attempt to solve problems of severely hurt Indian communities impacted by Hydro projects and mercury contamination, one would anticipate that governments, assuming they have social consciences, would bend over backwards to facilitate settlements. Unfortunately, this is not the case in Ontario.

"The mediation process with Ontario failed because your people saw it, and admitted as much, as a game, a wheeling and dealing session. The affected Indian bands as a result have received nothing from Ontario in four years of discussions, save for a so-called offer that is an insult to the intelligence and leaves all major issues unresolved.

"By contrast, you have by agreement assisted the polluter, Reed Ltd., to both escape from the province as well as pass on to the Ontario public liability for the pollution damages of Reed as well as its successor company that chose privately to take on all Reed's liabilities.

"In December, your ministry prevented signing of a settlement of a 24-year dispute between Ontario Hydro and Whitedog over a nonissue to the lawyers concerned on the basis of what your staff described as the need to negotiate even though this Hydro process was distinct and separate.

"Now, in September 1982, the agreement remains unsigned because Ontario is unprepared to assure the band of rights to wild rice growing in waters that will be surrounded by the new reserve that will result from the settlement with

Hydro; that is, if we ever have the opportunity of signing one.

"It is revealing perhaps that when I asked one of your officials, to whom you were referring in your letter of August 16 when you stated, 'Please communicate with the Ontario negotiator if you require further clarification on this rice matter,' I was advised that no individual's name was entered in your reply simply because no one with the province had the foggiest idea who the provincial negotiator is.

"When people of the quality of Justice Hartt are putting their best efforts into resolving both the 24-year Hydro flooding dispute, as well as the 12-year mercury problem, it is nothing short of shameful the manner in which the politicians and bureaucrats have shoddily treated the matter.

"As you and I agreed during the June meeting with Chief Mandamin, even the outstanding issues in the Ontario negotiations are relatively simple and could, I believe, were the desire there on the part of Ontario, be resolved in 24 hours. But Ontario is not prepared to settle the major issues in its process and, in the meantime, seems to enjoy the role of spoiler in preventing a Hydro settlement.

"In closing, let me say that should anyone around Queen's Park stumble across the missing negotiator, and more importantly, should anyone know his or her name when the body is discovered, as one who would like to finalize the Hydro settlement, I'd be pleased to hear from the missing link.

"All the best.

"Sincerely, H. Bruce Crofts."

The Ontario government has failed to assume a role in this mediation process established over four years ago with these bands. In fact, not one major issue in the Ontario package has yet been resolved.

The government position has been simply to participate in the mediation to avoid public criticism, to offer nothing of significance and to ignore the real purpose of the process, namely, to assist two pollution-crippled communities.

Ontario has perhaps the most significant responsibility in the events of these Indian reserves: crown corporation flooding by Ontario Hydro of wild rice; the failure of the Ministry of the Environment to monitor mercury emissions; commercial fishing bans imposed by Ontario; the rape of timber licences by the pulp and paper companies and the failure to enforce replanting.

The Ontario position has been to argue that it has no legal responsibility in the mercury pollu-

tion process and completely ignore any ethical and moral responsibility. As a result, Ontario has refused to offer virtually anything of significance in the four-party settlement.

The objective of the mediation process was to assist in the social and economic reconstruction of the two Indian communities. Without Ontario's meaningful participation in contributing in the resource access area, no viable solution can result.

Ontario's response has been described as racist by many simply because Ontario's failure to actively participate is predicated on the fact that these are Indian communities and, therefore, not a provincial responsibility.

I am sure I do not have to remind the minister that the mediation process terminated unsuccessfully on May 31, 1981. Since that time, however, largely through the efforts of Mr. Justice Hartt, two of the four parties in the process, the federal government and Ontario Hydro, have reached settlements with the Whitedog band. The Ontario government and Reed Ltd.-Great Lakes Forest Products Ltd. have yet to reach any agreement. What actions has the minister taken to resolve these outstanding issues?

On the issue of wild rice harvesting, I would like to point out that the Hartt Royal Commission on the Northern Environment found that wild rice could be a key natural resource on which to base the Indian economy if water control devices were constructed to ensure proper water levels.

The province, however, has refused to offer any assistance to the Indians to develop this industry. The five-year moratorium on new wild rice licences will end in May of next year. Will the minister support the extension of this moratorium and will he assist the Indians if they bring forth an economic plan for the long-term development of this resource for the Indian people?

I would like to conclude by advising the provincial secretary that he has a large task ahead of him. I have talked briefly about the issues of acid rain, land use planning, or industry communities and native affairs. There are many problems that have not been resolved and must certainly be addressed in a serious manner by the minister in the upcoming month.

12:30 p.m.

Mr. Chairman: Thank you very much, Mr. Riddell. The discussions today seem to have reached a point that is precisely the right time when the chairman might adjourn. I don't know whether anybody engineered it so the total discussion today would end up right at this time or not, but it worked that way. We are in room 228 tomorrow night.

Hon. Mr. Henderson: Mr. Chairman, I could respond verbally to the three or four major questions Mr. Riddell asked, but I believe Mr. Riddell would like the response in a professional way. We have been dealing with all of those subjects that he asked about—acid rain, native rights and the Niagara Escarpment. Your government is concerned about them. We know that acid rain is crossing from south of the border. The government of Canada did ask the US in 1980 to try to control the acid rain and, as you people who were sitting in the House remember—

Mr. J. A. Reed: We were told to clean up our own doorstep first.

Hon. Mr. Henderson: We committed ourselves to doing it through Ontario Hydro, but still the government of Canada is not able to get a commitment from the US. It is very serious. We are worried about it, all of us. Mr. Chairman, we will respond in a professional way Thursday night at 8 o'clock.

Thanks very much.

The committee adjourned at 12:32 p.m.

CONTENTS

Wednesday, October 27, 1982

Opening statements.	R-585
Mr. J. A. Reed.	R-585
Mr. Foulds.	R-587
Mr. Andrewes.	R-588
Mr. Kolyn.	R-589
Mr. Henderson.	R-591
Mr. Riddell.	R-600
Adjournment.	R-606

SPEAKERS IN THIS ISSUE

Andrewes, P. W. (Lincoln PC)
 Eakins, J. F. (Victoria-Haliburton L)
 Foulds, J. F. (Port Arthur NDP)
 Harris, M. D., Chairman (Nipissing PC)
 Henderson, Hon. L. C., Provincial Secretary for Resources
 Development (Lambton PC)
 Kolyn, A. (Lakeshore PC)
 McClellan, R. A. (Bellwoods NDP)
 Reed, J. A. (Halton-Burlington L)
 Riddell, J. K. (Huron-Middlesex L)
 Wildman, B. (Algoma NDP)



No. R-23

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Resources Development
Estimates, Resources Development Policy



Second Session, Thirty-Second Parliament
Thursday, October 28, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Information Services Branch, Ministry of Government Services, 5th Floor, 880 Bay Street, Toronto, M7A 1N8. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Thursday, October 28, 1982

The committee met at 8:15 p.m. in room 228.

ESTIMATES, RESOURCES DEVELOPMENT POLICY (continued)

Hon. Mr. Henderson: Mr. Chairman, it is my understanding that the member for Huron-Middlesex (Mr. Riddell) finished his remarks the other night for the Liberal Party. I have the answers to what I considered five questions by Mr. Riddell: acid rain, co-ordination of land use matters, the interministerial committee on single-resource-industry communities, the list of 40 native affairs issues, and something he called a green paper. I wonder now whether the New Democrats want to go on with their leadoff, or would they want me to answer the Liberal critic.

Mr. McClellan: I am dying to hear you answer the Liberal questions.

Interjection.

Hon. Mr. Henderson: I have to admit that I am a bit worried tonight. I actually am. I am not completely sick, but I am upset. I got a call this morning from Jack Little telling me that he could not be here tonight, telling me that he was going to be elsewhere and he talked to me about these questions.

Mr. J. A. Reed: I understand he is in your riding.

Hon. Mr. Henderson: That is what I got concerned about. I said, "Where are you going to be, Jack?"

Mr. J. A. Reed: That is called the long, slow curve. He has got you answering these questions—

Hon. Mr. Henderson: He is going to be speaking to the Lambton Federation of Agriculture tonight in Inwood. So that is what is really concerning me. It is not the questions.

Mr. J. A. Reed: If the answers are not too coherent, we will have some compassion.

Hon. Mr. Henderson: Very good. With those few words, I would like to take a few minutes to respond to comments made by Mr. Riddell at my initial meeting with the committee, Wednesday, October 27, 1982.

First, I will deal with the issue of acid rain.

I would start by saying that you have identi-

fied a problem which is a serious one, not only for Ontario, but for most of eastern Canada, for portions of the United States and for Europe and Scandinavia. You have raised a number of concerns relating to acid rain which are shared by many people and certainly by this government. I would like to provide a little of the background relating to the issue and a comment on where the province is at present in dealing with it.

The problem of acid rain as we know it, was initially recognized in the mid 1950's. Since that time hundreds of lakes in eastern North America, which have little buffering capacity have been identified as being acidic. They no longer support fish population and aquatic life. Scientists estimate that if the present levels of acid loadings remain constant or increase, over the next 10 to 20 years Ontario could lose much or all of this life in tens of thousands of susceptible lakes without effective abatement measures.

Not only has acid rain taken its toll on susceptible lakes, there is speculation that it may have harmful effects on other areas of the environment including the soil, forestry and agriculture, and on human health.

Normal rain is slightly acidic for reasons of its interaction with atmospheric carbon dioxide. Acid rain, however, in northeastern North America is frequently many times more acidic than normal rain because of the interaction with sulphur and nitrogen emissions resulting from man's activities. Sulphates are believed to cause approximately two thirds of the acidity in precipitation in Ontario and nitrates about one third.

Utilities or power generating plants and non-ferrous smelting operations account for the majority of man-made sulphur dioxide (SO₂). Approximately half of the nitrogen oxide emissions in North America are due to transportation-related sources—cars, trucks, trains, aircraft—with power generation and other combustion sources accounting for the other half.

8:20 p.m.

Acids are deposited as rain or snow, referred to as "wet deposition," or are "dry deposited" as flyash or oxides. The result is the occurrence of acid precipitation.

As the member mentioned on Wednesday, acid rain does have a detrimental effect on some aspects of the environment. The degree to which it affects lakes and, in turn, fisheries is a little better understood at present than the degree to which it affects other areas of the environment, such as soil, forestry and agriculture. The government is proceeding with further studies in these areas to attempt to clarify questions that remain.

In the area of agriculture, for example, more study is needed. Staff of the Ministry of the Environment indicated that while there is some speculation that acid rain adversely affects soils, there is no conclusive evidence to support this. Studies are presently under way in an attempt to clarify this point.

It is suspected that acid rain will affect crop growth and yield. Here again, environmental staff advise that there is little conclusive evidence. It is known that ozone, which also occurs in the atmosphere and which has been studied for some years, can be shown to have some negative effects. There has also been a limited amount of research done in the area of acid rain and crop yield, and this has not been conclusive.

Managed soils in agricultural areas are not subject to acid effects, because farmers use agricultural lime regularly to offset the acidic affects of ammonia fertilizers. It has further been speculated that because acid rain contains nitrogen oxides, the fertilizing effects may in fact be beneficial in a forestry situation. The same effect would not generally be expected in an agricultural situation for reasons of regular fertilizing programs.

There remains much to learn about acid rain in the agricultural environment. At this time there is no conclusive evidence indicating negative effects.

There is clear evidence that acidic precipitation in this century has been responsible for the sudden rate of deterioration of ancient buildings, landmarks and statues. It is anticipated that a study of ageing tombstones in war veterans' cemeteries throughout the United States will help us to understand the effects of acid rain on buildings, monuments and statues.

The Ministry of the Environment has undertaken economic studies to develop appropriate methods from which to develop economic estimates. Calculation of damage costs requires both sound methods and the availability of data on damages from physical scientists.

As the member has noted, abatement costs are relatively easy to calculate; damage costs,

however, for such things as lost recreational fishing or a less pleasant environment are considerably more difficult to estimate. This is difficult, time-consuming work, but the Ministry of the Environment has put substantial time and effort into it, working with their own physical scientists and with other jurisdictions on the problem.

While the effects of acid rain on human health are extremely difficult to assess with confidence at the present time, the acid effects on bodies of water raise the possibility that drinking water supplies may be increasingly contaminated by toxic elements as acidity increases. However, more data are required before a meaningful assessment can be made. To date there are no proven adverse health effects.

What I am saying to the committee is that the government of Ontario recognizes that we do have a problem with acid rain. I am also saying that the full scope of the problem is not clearly defined, and while we are going after solutions in some areas we are attempting to better define the problems to be solved in other areas.

The Ministry of the Environment maintains a province-wide inventory of airborne contaminants composed of a comprehensive network of air quality and deposition monitoring equipment measuring for these contaminants. Studies have indicated that a contribution of certain airborne contaminants is caused by out-of-province sources and, in the case of acid precipitation, studies of sulphur dioxide, sulphates and nitrates indicated their source, in many cases, to be some distance from sensitive receptor lakes.

Further study and evidence have indicated that emissions from coal-fired power plants in the eastern and midwestern US significantly contribute to acidic deposition in Ontario.

It is estimated that in eastern North America the United States accounts for 28.5 million tons, or 84 per cent, of annual SO₂ emissions and 24.4 million tons, or 92 per cent, of nitrogen oxide emissions, while Canada's contribution is 5.5 million tons, or 16 per cent, and 2.1 million tons, or eight per cent, respectively.

A further review of weather factors has indicated that while prevailing winds and weather patterns cause movement of some Canadian-generated emissions to cross into the United States, the greater movement of airborne pollutants is from the US into Canada. So while a portion of the cause of the acid rain problem in eastern North America results from emissions in Canada and in Ontario, the much larger portion

results from emissions in the United States. The problem of acid rain is international.

In the forum of the resources policy field the Ministry of the Environment takes the lead role for the province and speaks for the government on the subject. In response to the seriousness of the acid rain situation, the Ontario government through the office of the Ministry of the Environment initiated a major acidic precipitation program in 1979. The study, known as The Acid Precipitation in Ontario Study, has as its sole purpose the handling of acid rain problems. Currently, the program has a budget in excess of \$8 million.

The major components of the study include detailed work in the areas of atmospheric processes, aquatic effects, terrestrial effects, socioeconomic investigations, legal initiatives and public relations initiatives. The work in each of these areas which is at present under way is as follows:

1. Atmospheric processes studies include emissions inventories, modelling and meteorology studies, deposition monitoring networks and the development of an oxidants strategy.
2. Aquatic effects studies include calibrated watersheds, fisheries studies, extensive lake sampling and integrated water quality/fisheries studies in several lakes.
3. Terrestrial effects studies include baseline vegetation and soil surveys, soil sensitivity mapping, experimental studies and studies at three important sites.
4. Socioeconomic investigations in the following areas: damages and benefits, cost of abatement and reduction and control strategy development and evaluation.
5. Legal steps both within the province's jurisdiction and internationally.
6. Public relations activities both within the province and on an international level.

If any member of the committee is interested in further details on the work of the Ministry of the Environment's acid precipitation in Ontario study, will he please let me know and I will be happy to arrange for him to receive additional information.

8:30 p.m.

Notwithstanding the requirements for additional information on the acid rain phenomenon, the government has recognized a need for action.

Inco Ltd., the world's largest nickel producer, which mines ore with heavy sulphur content at its Sudbury mining and smelting complex, is the continent's largest single source of SO₂ emissions.

In August 1980, the Ontario Ministry of the Environment issued a regulation to Inco Ltd. limiting its SO₂ emissions from 3,600 tons permitted at that time to 2,500 tons per day effective the date of the regulation. In addition, the regulation stipulated that by December 31, 1982, that level must be further reduced to 1,950 tons per working day. Since 1969, Inco Ltd. has cut its total SO₂ production by over 40 per cent.

Mr. Wildman: By 100 per cent right now.

Hon. Mr. Henderson: On January 26, the former Minister of the Environment, Harry Parrott, announced proposed regulations for the reduction of sulphur dioxide and nitrogen oxide emissions from Ontario Hydro's thermal electric stations. Basically, this regulation limits Ontario Hydro's sulphur dioxide emissions to 260,000 metric tons by 1990, a reduction of approximately 43 per cent from current levels. In addition, the regulation required Ontario Hydro to install low nitrogen oxide burners on its larger coal-fired stations in order to reduce these annual emissions to 40,000 metric tons by 1990.

On January 30, 1982, a new regulation was issued replacing the February 17, 1981, Ontario Regulation 73/81. This new regulation removes the nitrogen oxide ceilings on total emissions of sulphur dioxide and nitrogen oxides. Regulations and/or control orders for other sources of SO₂ and nitrogen oxides are currently under review by the newly established acid precipitation in Ontario study abatement strategy team and committee. As additional information regarding the acid rain problem becomes available, it is the intent of the government to put the new knowledge to work. If necessary, consideration will be given to yet stricter controls over emissions.

The Ontario government has the day-to-day authority for setting and enforcing pollution standards. Our problem would, therefore, be minimal if acid rain were a local rather than an international problem. Because of the international scope of the problem, Ontario has been working very closely with the federal government and other provincial governments to examine the problem and to propose various abatement strategies.

As I said in my opening remarks on Wednesday, the subject of acid rain was dealt with at recent meetings of the Canadian Council of Resource and Environment Ministers. The council reaffirmed its position with regard to a control program involving a 50 per cent reduction of emissions east of the Saskatchewan-Manitoba border dependent on parallel US action. In

dealings with the United States, Canada has put forward this position. To date, the United States has not supported this proposal.

A first major step towards discussing a treaty between the United States and Canada was taken in Washington on August 5, 1980, when the Canadian Environment minister, John Roberts, and US Senator Edmund Muskie signed a memorandum of intent to deal with acid rain and resolve international air pollution problems. In the document the parties declared their intention "to develop a bilateral agreement which will reflect and further the development of effective domestic control programs and other measures to combat transboundary air pollution." Since that time, actions in the United States indicate that their continuing commitment to the bilateral agreement is not what it might be.

In March 1981, Environment Ontario took an unprecedented step by intervening in the US legal system to prevent acid rain emission increases. On March 12, 1981, the Ontario Ministry of the Environment filed a legal intervention with the US Environmental Protection Agency which asked the EPA to reject proposals from six states for a relaxation of emission limits governing 18 power plants in Ohio, Michigan, Indiana, Illinois, West Virginia and Tennessee. On March 27, 1981, Ontario expanded its intervention to include two large power plants near Cleveland, Ohio.

As of April 1, 1982, the status of the 20 state implementation plan relaxations, was 11 approved, six disapproved and three pending.

On June 19, 1981, Ontario appeared at the US EPA Section 126 hearings held in Washington, DC, in support of the states of New York and Pennsylvania in their petition concerning interstate pollution. On October 7, 1981, the government of Ontario intervened in proceedings before the Air Pollution Control Board of the state of Indiana to oppose an increase in limits of sulphur dioxide emissions requested by the Clifty Creek generating station.

This was Ontario's first intervention before a state government agency. Previous interventions in the United States by the Ontario government had been in affidavits to the courts and before the US Environmental Protection Agency. However, the Air Pollution Control Board of the state of Indiana voted to grant this request independent of the concerns raised by the province of Ontario, environment groups and medical specialists.

On June 30, 1982, the province of Ontario

intervened at a public hearing of the Michigan Air Pollution Control Commission in opposition to the Detroit Edison request to delay bringing its Monroe Power Plant into line with the state of Michigan one per cent or equivalent sulphur in fuel rule. Ontario was again represented at the July 20, 1982, commission meeting where this matter was voted on. It would appear that Ontario's intervention at this hearing contributed to the commission's decision not to grant the request.

Currently, legal services branch staff, in conjunction with the staff of several US legal firms being retained by MOE to represent Ontario in the US as well as staff of the Ontario crown attorney's office, are reviewing the various avenues open to the province in relation to legal actions in the US including:

Continued interventions at the state level under section 110, state implementation plan revisions, of the US Clean Air Act; continued support of New York and Pennsylvania under section 126, interstate pollution, of the US Clean Air Act; a possible legal suit under section 115, international pollution, of the US Clean Air Act.

I would like to take a moment now to summarize briefly with regard to acid rain.

As the member indicated in his remarks, acid rain is a matter of serious concern. Acid rain impacts significantly upon certain susceptible lakes and in turn on the aquatic life in those lakes.

It is recognized that acid rain also impacts on other components of the environment including forestry and agriculture. While there has been some study to determine the extent of this impact there is no conclusive evidence regarding implications.

To date, there is no conclusive evidence directly linking acid rain and human health.

To develop economic estimates of damage caused by acid rain, sound methods and physical science data are required.

In general, more study is required before we can speak in definitive terms about all the implications of acid rain. The government, through the offices of the acid precipitation in Ontario study, is aggressively carrying out required further studies.

Acid rain is an international problem. It is not something that we in Ontario can address and expect to solve on our own. In this regard the Ontario government will continue to work with the federal government to support and, as

appropriate, become involved in negotiations with the United States.

On the matter of acid rain, Ontario will continue to intervene in the US legal system in the best interests of the province. As new information becomes available, consideration will be given to effecting more stringent controls in Ontario should these be required.

8:40 p.m.

The Ontario Ministry of the Environment co-ordinates activities and speaks for the government on the subject of acid rain. Among its staff, that ministry retains specialists in the environmental areas of air and water quality. These staff effectively liaise with specialists in sister ministries regarding other sectors of the environment, including forestry and agriculture.

The ministry maintains a close working relationship with the Ministry of Health on matters of human health. The Ministry of the Environment also retains on staff economists who are working to assess more accurately economic implications associated with the issue of acid rain.

The general role of the Provincial Secretariat for Resources Development, and one with which I am very comfortable, is that of continuing to provide a forum which effectively allows the government, through its operating ministries, to deal with resource-related problems and issues, including the acid rain issue, and to act on the issues in a manner deemed appropriate by the policy field.

Madam Chairman, I know this has been quite a lengthy response but I felt it was important that it be put on the record so that any members who want to, can see what we are doing and where the problems lie. Again I repeat, almost 90 per cent of the problem is across the international boundary.

The Acting Chairman (Ms. Fish): We have a list of those wanting to ask questions with respect to the minister's answer. The first is Mr. Kolyn.

Mr. Kolyn: Madam Chairman, my questions do not basically deal with the minister's answer so I will pass. I do want to talk about the tripartite agreement we have with the federal government and the Indian nations but I will pass at the present time.

Mr. Williams: Madam Chairman, after that short answer I am a little reluctant to ask another question.

Hon. Mr. Henderson: You weren't here to hear the question the other night, were you?

Mr. Williams: No, I wasn't. It must have been a lengthy one.

Hon. Mr. Henderson: It really suggested there should be a full answer.

Mr. Williams: It certainly was very thorough.

I just wondered, given that is the answer to the first question, if the other four answers are going to be equally long.

Hon. Mr. Henderson: No, they are much shorter. But I need a rest.

Mr. Williams: There were some matters in your estimates that I was hoping to get to before time runs out.

Hon. Mr. Henderson: I understand what the member is saying. I do have lengthy answers here. Perhaps you would like to go to questions and file these.

Mr. Williams: I think we should hear the answers. If there were penetrating questions the other night, we should have thorough answers.

The Acting Chairman: Mr. Williams, did you have questions on the subject of acid rain?

Mr. Williams: No, I was just concerned that there are other parts of the estimates that I may not have time to get to, but I am interested in these answers.

The Acting Chairman: I presume that given the length of the answers it was the wish of the committee to have some questions on this point before they proceeded to the other answers. Am I correct in understanding that from the committee? I think that is the case and we will move to you, Mr. Reed, for your further questions on acid rain.

Mr. J. A. Reed: I would just like to ask the minister if he has ever read the poetry of the late Wilson MacDonald.

Hon. Mr. Henderson: Not recently.

Mr. J. A. Reed: He wrote a book, I think it was about 40 years ago, entitled *Caw-Caw Ballads*. There was a poem in there and I forget all the intermediate parts, but I will try to lay down the salient points. It goes as follows:

"Some musty corn, that had started to rot,
Was thrown one day on a farmer's back lot.
"And every crow, who a share did take,
Was quickly laid low with a bellyache.
"But they couldn't cope with the strange disease,

"So they called in doctors from over the seas.

"Then a lay-crow said in a moment of scorn:
"Why don't you tell the crows not to eat that corn?"

"And the doctors all, who in conclave sat,

Said: 'Isn't it funny that we didn't think of that?'"

That is how I see your answer on acid rain. You have all the doctors gathered around in a conclave, scratching their heads and saying, "Maybe it is a problem and maybe it is not." Why do we not stop eating the corn?

Hon. Mr. Henderson: We are picking corn at home today.

Mr. G. I. Miller: Wilson MacDonald came from Cheapside and they have the historical society there under the veil of those big high chimneys at Nanticoke. I think that is kind of fitting.

Hon. Mr. Henderson: I was really disappointed in the House today. Several plants were shut down in Toronto yesterday because the pollution index rose to 54. The Minister of the Environment (Mr. Norton) was in the House. I was going to answer but nobody gave me a chance to explain it in the House. I had a pretty good answer. It would have taken me a few minutes.

Mr. J. A. Reed: I guess what I am trying to get at is we have a recognized problem and it is a serious one. It may well prove to be the single most serious environmental problem between now and the end of this century.

For instance, we have a resource policy that is going to be greatly influenced in the future by the acid rain problem. I have already had lobbies from the sport fishing people who are saying, "We want more fish stocks in the Great Lakes because they are buffered and they are not so bothered by acid rain." We know 2,800 lakes are going to die before 2000, at least that is the information I have. We have all these things and, as I say, all the experts are sitting around saying, "Isn't this too bad?"

We are approaching the United States and negotiating with them to cut back their emissions and we are not undertaking to set the example ourselves here in Ontario. We cannot go anywhere until we clean our own doorstep and get rid of those major sources.

Hon. Mr. Henderson: You must not have been around when the throne speech was read a year ago.

Mr. J. A. Reed: I was there, believe me.

Hon. Mr. Henderson: It committed Ontario Hydro to reduce it by one half during this decade.

Mr. J. A. Reed: Now you have cancelled the

scrubbers on Lambton. We can run around in circles on this.

Hon. Mr. Henderson: No, they were not cancelled. I live pretty close to Lambton and I know about it.

Mr. Kolyn: Are you talking about Nanticoke?

Mr. J. A. Reed: No, Lambton; there were no scrubbers ever scheduled for Nanticoke.

Hon. Mr. Henderson: I live only 12 miles from the Lambton plant. They were not ordered; they cannot get the proper scrubbers as of today. The commitment is still there during this decade to put those scrubbers in the Lambton plant.

Mr. J. A. Reed: I think you should check that with Hugh Macaulay because no scrubbers are to go into Lambton.

The Acting Chairman: Would the minister like to give the answers to—I am sorry, Mr. Wildman, do you have a question on acid rain?

Mr. Wildman: I have a supplementary with regard to acid rain, but if you want to go ahead—

Hon. Mr. Henderson: I am open. What do you want to do?

Mr. Wildman: It is up to the committee. I have a supplementary that deals with acid rain. If you want me to ask it now I can or I can wait until later, whichever you prefer.

The Acting Chairman: We were proceeding to have questions on acid rain since the minister had just given a fairly full answer, but we did want to be able to have the minister proceed to give answers to the other questions that were noted at the outset. Therefore, there are other answers to be dealt with soon.

Mr. Wildman: All right. After Inco and Hydro, one of the major sources of acid rain in this province is the Algoma ore division of Algoma Steel in Wawa. I understand it was under order from the Ministry of the Environment to come up with a proposal for cutting its emissions substantially. That was to be submitted to the ministry in September, I believe. I wonder if the minister could give me an update as to the status of the ministry's consideration of the company's reply. Has the company given a plan for a schedule to limit emissions?

8:50 p.m.

Hon. Mr. Henderson: As you know, we are not the ministry responsible. We only know what the collective policy is. I will get you a full report on that for Tuesday night.

Next is the co-ordination of land use matters. I am pleased to have an opportunity to respond on the co-ordination of land use policies. In this regard, the land use committee represents the prime points of contact between the cabinet committee on resources development and the staff of the ministries involved directly with the development and implementation of policies directed at land use in the province.

The land use committee was formed in 1977 to advise on land use matters and to provide assistance with the development, implementation and co-ordination of land use policies. The members of the land use committee include senior officials from the ministries of Agriculture and Food, the Environment, Municipal Affairs and Housing, Natural Resources, Northern Affairs, and Treasury and Economics. Staff of other ministries are also involved on the committee on specific issues. The committee is chaired by a staff member of the secretariat.

In the past five years, the land use committee has functioned as a focal point for the resolution of some issues involving land use. In that time, the committee has acted as an advisory body to the CCRD and ministries on the implications of specific policy initiatives and has developed into a forum for the resolution or the refinement of issues. Overall, the land use committee has ensured the substantial improvement of working relations between ministries on the formulation and implementation of land use policies.

Most of the subjects discussed by the committee are brought forward by ministries before submitting a proposal to the CCRD. On other occasions, the committee itself assumes the initiative to determine the extent of a problem and propose a course of action. The following are three examples of how the land use committee approached different issues during the past two years.

1. The land use committee was requested by the Ministry of Municipal Affairs and Housing to prepare a list of possible policies which could be issued following final reading of the new Planning Act.

As you know, section 3 of the new Planning Act enables the Minister of Municipal Affairs and Housing to issue policy statements on provincial interests and planning matters. The statement can be issued independently or jointly with other ministries.

With this particular task, the member ministries provided the committee with summaries of proposed policies and a tentative schedule of

proposed policies was established for future reference. During this review, it was also agreed that candidate policy statements should be discussed by the land use committee before being considered by the CCRD.

Staff of the Ministry of Municipal Affairs and Housing have also used meetings of the land use committee as an opportunity to brief members from other ministries on proposed changes in the Planning Act and aspects of its implementation.

2. The land use committee has also played a key part in the formulation of the proposed strategy on wetlands which was published last year.

In this case, representations on the loss of wetlands to the ministers of Natural Resources and the Environment by the Federation of Ontario Naturalists resulted in the referral of the subject to the land use committee. A subcommittee of the land use committee was formed to review the problem and to propose a course of action. When the assignment was completed, the subcommittee's report, together with the comments and recommendations of the land use committee, were forwarded to the Ministry of Natural Resources.

In August 1981, the Ministry of Natural Resources published a discussion paper on wetlands for public comment. The discussion paper described the benefits of wetlands and the different means of ensuring the preservation of significant wetlands in this province. Public response to the discussion paper was very encouraging to the extent that only recently have staff in the Ministry of Natural Resources been able to come close to completing an assessment of the comments that were received from individuals, interest groups and other organizations.

Meanwhile, steps have been taken in association with federal officials to establish criteria for defining wetlands. As the next step, my colleague the Minister of Natural Resources (Mr. Pope) intends to bring forward a comprehensive wetlands policy for Ontario.

In my opening remarks, I referred to the work of the interministry committee on erosion and sedimentation. This group was formed by the land use committee to work on the integration of government programs and soil erosion and soil conservation.

Membership on the committee is composed of staff from the following ministries: Natural Resources, Municipal Affairs and Housing,

Transportation and Communications, the Environment and Agriculture and Food.

The interministry committee's present task is the preparation of a report to the cabinet committee on resources development on the erosion problem in Ontario. The report will provide information on the location of erosion and sedimentation problems, current programs and projects, and the direction in which manpower and financial resources can be pointed to achieve better results. The assignment should be completed at the beginning of the new year.

Another aspect of the land use committee work is to review and advise on general trends and issues influencing land use policies. This kind of work provides a framework for the committee to identify areas of change in policies and their implications.

Some general conclusions arising from this work are that land use issues are subject to constant change as the result of new pressures and changing priorities. These issues will also vary in relation to conditions in different parts of the province.

That resolution of the land use issue is not straightforward. Decisions affecting the use of land in one locality may have adverse consequences in another. The decision-making process involves the technical and administrative effects of a large number of government departments, local authorities and other public and private organizations, as well as the involvement of the public at large.

In northern Ontario, the problem of distance, sparse population and large tracts of unorganized territory does not favour the establishment of arrangements that are found in the south.

An important initiative during the past decade has been the gradual transfer of responsibilities on planning matters from the province to local authorities. The introduction of the revised Planning Act signals a new phase in the administration of land use policies at the municipal level.

Despite the reorganization of responsibilities, it is anticipated that the policies of the provincial government will continue to exert a strong influence on the decision of local authorities on land use matters.

Such is the declaration of a provincial interest in the development of resources. In these circumstances, long standing links between the provincial government and the community at large may be maintained and new links forged to meet emerging demands.

The land use committee's experience with land use issues during the past five years demonstrates that an effective response to the issue by provincial agencies is based on sound knowledge of the problem and the co-ordinated application of policies by a number of ministries acting in close co-operation with one another.

As an advisory body to the Provincial Secretary for Resources Development, the land use committee has demonstrated the capabilities to provide timely, co-ordinated advice on issues of concern.

Specific reference was made to recent reports of the Ministry of Natural Resources in concerns raised by the Niagara Escarpment Commission about them.

Finally, I must stress the following facts. The land use strategy consists only of draft documents intended for discussion purposes and the commission was merely one of many ministries, agencies, interested groups and individuals asked to submit comments on the proposal.

The ministry has repeatedly emphasized the fact that the land use strategy will have no legal status. It is meant to provide the Ministry of Natural Resources staff, other ministries and the public with general outlines of the Ministry of Natural Resources' intentions in respect of future resource management programs.

9 p.m.

Once a Niagara Escarpment plan is approved, the Ministry of Natural Resources land use strategy, like all ministry undertakings, will have to conform with the plan. Subsection 13(1) of the Niagara Escarpment Planning and Development Act has contained this conformity requirement since 1973 when the act came into force and the ministry acknowledged this as recently as October 13 in a letter to the commission.

It should be evident from what I have said that the commission's comments of September 13, 1982, are simply part of the consultation process of the Ministry of Natural Resources and for which a co-ordinated system is provided through the Niagara Escarpment Planning and Development Act.

Furthermore, I should point out that I will be consulting all affected ministries after I receive the recommendations of the Niagara Escarpment Commission next summer to ensure that the Niagara Escarpment plan and ministry plan and programs are fully integrated and co-ordinated. That is my response on the land use matters.

Were there questions on some of that, Mr. Chairman?

Mr. J. A. Reed: I have a question to the minister. In view of the statement that you have made regarding the fact that the whole thing, so far as you are concerned, is a moving target and that change is the only thing that is constant, will you give us an undertaking here tonight that you will approach the Minister of Natural Resource and ask him to further extend public input into the strategic land use plans beyond the closing date of August 31, as it was then, and beyond the minister's personal undertaking to receive input from that time up until this?

The minister understands, as is revealed in his statement, that all of the information and all of the salient conditions which will result in an ultimate land use plan are not in yet. I understand as well through the experience of the Niagara Escarpment Commission which was really only held together through the wisdom of two people, its chairman Ivor McMullin and the late Gerry Coffin, they brought out an initial final plan and had to go back to the drawing board.

They brought out a second and final plan and went back a third time and now are in the processes of finalizing the third and final plan. I just have one question to you, Mr. Minister: Understanding all those wise things you said in that statement, will you go back to the Minister of Natural Resources and tell him it is way too premature to close off public input into strategic land use planning in Ontario?

Hon. Mr. Henderson: I am trying to define the remarks of the honourable member. Is he referring to the escarpment?

Mr. J. A. Reed: No, sir. Are you familiar with the strategic land use plan proposals of the Ministry of Natural Resources?

Hon. Mr. Henderson: There are four or five of them across Ontario.

Mr. J. A. Reed: But there is one for each district. Are you familiar with the summaries for northern and southern Ontario?

Hon. Mr. Henderson: I read one of them today.

Mr. J. A. Reed: Are you aware that there was a cutoff date of August 31 for public input?

Hon. Mr. Henderson: I was aware of the cutoff date but I am aware that government has not dealt with it fully yet.

Mr. J. A. Reed: Are you also aware that the government is continuing to receive public

input into that plan as of today? At least, in the words of the Minister of Natural Resources to me, that is the case.

Hon. Mr. Henderson: I am going to be honest with you. That was the understanding within the area I represent, that the ministry is still ready to—

Mr. J. A. Reed: Are you aware, as well—

Hon. Mr. Henderson: To answer your broad issue across Ontario, sitting here tonight I cannot answer you.

Mr. J. A. Reed: Are you aware, as well, that there is a new aggregates bill destined to be presented to this Legislature this fall with an accompanying new policy on aggregates?

Hon. Mr. Henderson: As the chairman of the resources policy field, yes.

Mr. J. A. Reed: You are certainly aware of that?

Hon. Mr. Henderson: Very much aware of it. A part of it has not been presented fully yet.

Mr. J. A. Reed: It was promised last May and the text was promised this summer; now it is promised again for the third time. Understanding all those things, would you, as the superminister, whose great arms envelop all these great ministries, go back to the Minister of Natural Resources and tell him it is far too premature to cut off the strategic land use plan now; to wait until some of the new pieces of legislation are put into place to allow the public to comment properly on that proposed policy?

Understanding, as I said, the experience of the Niagara Escarpment Commission and the fact that it had to go back three times to present its final draft plan to the public, surely you do not want to get into that mess with something as broad as the whole province.

Hon. Mr. Henderson: Speaking to the aggregates bill, I suppose you are not aware that I did take the original report. I was the minister; I took the original report and the proposals that were brought out on aggregates in Ontario before the different municipal organizations. That takes me back to about 1976 when I was involved in getting ready for an aggregates bill. It has taken some six or seven years to get it this far. We must get another act. You know how long these types of acts take; I do not need to tell you.

Mr. J. A. Reed: I appreciate that and understand it. I have only asked one direct question. Inasmuch as the aggregates bill relates to the strategic land use plans in Ontario, very direct—

ly, will you tell the minister to hold off on the strategic land use plan until this act is in place?

Hon. Mr. Henderson: Mr. Chairman, I cannot give the member that assurance because there is some urgency.

Mr. J. A. Reed: What is the urgency?

Hon. Mr. Henderson: Wait until it comes before the House. The minister has to carry that—

Mr. J. A. Reed: The only urgency you have is an upcoming provincial election in about two or two and a half years.

Hon. Mr. Henderson: We will be ready for the election when it comes. In the meantime, we will have to continue with the planning and the Aggregates Act. I will speak to the minister. I will make him aware of your concerns. Is that fair enough?

Mr. Chairman: On land use, Mr. Wildman?

Mr. Wildman: Could the minister expand a little on his wetlands policy and the conflict I perceive there is between the Ministry of Agriculture and Food and this minister, who has a great deal of experience, and the naturalists and many of the people in the Ministry of Natural Resources? Obviously, the Ministry of Agriculture and Food is encouraging—I think in some cases not encouraging enough—land drainage to improve the productivity of land throughout the province. At the same time, there is a serious need to preserve wetlands, especially as a refuge for waterfowl and so on. How are these two ministries resolving that inherent conflict?

Hon. Mr. Henderson: I do not need to tell you of my past experience in draining the agricultural lands of Ontario. Maybe I will touch a little more on the personal base. I am a little biased, and I do not mind being a little biased. If it is productive agricultural land, if it can produce food, I am a strong believer it should be drained and used for the production of food.

9:10 p.m.

But down through the years I have witnessed one or two mistakes that have been made. Of course, when I think back many years ago, I go to Lambton and I think of the bog land in old Smith Lake up in the north end of Lambton. It is a perfect habitat for wildlife: ducks, geese, muskrats, what have you. After the Second World War, an individual came out, and in the wintertime he took a large dragline on the ice. He made channels and kept draining Smith Lake. By the early 1950s we had no habitat or resting place for the geese and ducks.

In the early 1960s we tried to establish a habitat. It is up where Jack Riddell lives. He could tell you all about it. We have spent some 20 years trying to establish that spot for a layover, a resting area. After 20 years, and many millions of dollars, we still do not have the equal of old Smith Lake.

I recognize there have to be wetlands. The Ministry of Agriculture and Food recognizes this. I am talking now about when I was in Agriculture and Food days and not provincial secretary. We tried to bring two million acres of land back into production in eastern Ontario. You may not be aware of it, but there have been crops of soybeans grown in that area of eastern Ontario equal to the production of Essex county. We have had crops of corn in that area after putting in the proper drainage.

I am sure you are aware of the \$50-million agriculture and rural development agreement the government of Ontario and the government of Canada entered into. Through ARDA, we have set up a special federal-provincial committee to decide what lands should remain as wetlands in eastern Ontario. I am making my answer as short as possible, but I want you to realize that we are really working on it.

There has to be an agreement by the ministries of Natural Resources and Agriculture and Food and the government of Canada that the land should be drained. Then, if it should be drained, they drain it. The government of Ontario pays one third of the cost of that draining, the government of Canada pays one third and the individual area pays one third. So there is a committee in place made up of senior civil servants from the two ministries and the government of Canada. The present government hopes to continue that process.

We had a serious problem in the Frontenac area. There have been more problems in eastern Ontario over it. There have not been many problems in your area; but in the eastern Ontario area there have been problems as to what should be preserved as wetlands and what should be agricultural lands. My concern, naturally, was for the production of food. That is the battle I was held responsible for.

Mr. Wildman: I think it is pretty obvious why there has not been a major problem in my area: there are a lot more wetlands and a good amount of farming lands. But there is not nearly the kind of land area you have in southern Ontario.

Hon. Mr. Henderson: Wait a minute. You have the lands. I went to the Bruce Mines fair

and it had the best vegetables in Ontario. You were there. You saw me.

Mr. Wildman: Yes. I invited you.

I agree we have the land but, in talking of total land area, we do not have as much. Is it true that in the development of the wetlands policy there has been serious disagreement between the two ministries—

Hon. Mr. Henderson: And the ministers.

Mr. Wildman: Yes, that is right. You are the co-ordinating minister, or the one who is there to resolve the disagreement.

Hon. Mr. Henderson: We set up a committee to resolve it. There were disagreements, yes. I do not mind telling you that. The Minister of Natural Resources wanted to maintain the habitat, which was his responsibility, and my concern was for the production of food to feed the people. I believe we have resolved it.

Mr. Wildman: Which is the lead ministry with regard to the other program you mentioned under land use, the control of erosion on waterways? Is that Natural Resources?

Hon. Mr. Henderson: Natural Resources has the waterways, yes.

Mr. Wildman: That will be all for now.

Mr. Chairman: Is there anything else on land use?

Hon. Mr. Henderson: Mr. Chairman, the next one is not quite as long. It is an interministerial committee on single-resource-industry communities. That was the next question from Mr. Riddell.

The terms of reference for the interministerial committee on single-resource-industry communities were approved on May 7, 1981, by the cabinet committee on resources development. I was a member of the committee at that time as the Minister of Agriculture and Food.

Specifically, the terms of reference proposed that in order that the problems caused by the economic change in single-industry communities, primarily resource-based in northern Ontario, might be minimized, the interministerial committee develop an approach for communities in need of attention, and bring its recommendations to the cabinet committee on resources development.

The committee was made up of representatives from the ministries of Northern Affairs, Natural Resources, Municipal Affairs and Housing, Industry and Trade, Labour, Transportation and Communications, Energy, Treasury and Economics and, latterly, Community and

Social Services and the Environment. It was chaired by the Provincial Secretariat for Resources Development.

For the purposes of the committee, the single-resource-industry community was to be described as a community or a group of communities basically related to a resource base for their existence and dependent upon single, large employers, primarily but not exclusively located in northern Ontario.

Excluded from the terms of reference would be a community of diverse bases, such as Oshawa, Thunder Bay, Oakville or Windsor.

The committee was asked not to undertake any original research, but to work with provincial ministries drawing upon their experience and co-ordination work already under way. Work of the committee was not intended to be operational.

The committee reported to the cabinet committee on resources development on September 23, 1982, and the report, along with the cabinet documents, is still under consideration.

Mr. Wildman: As a supplementary question: how often did that committee meet?

Hon. Mr. Henderson: I do not know. It was not chaired by me, but by the secretariat. We do have the report. It was presented to the cabinet committee on resources development on September 23 and it has not been completed through cabinet as yet. My deputy tells me that from May 1981 until 1982 there were possibly two dozen meetings. Is the person here who chaired it? How many meetings were there?

Mr. Cooper: It met at the beginning approximately once a month.

Mr. Chairman: If you want this on the record, you will have to come up to the microphone.

Hon. Mr. Henderson: Okay. I think it is good to have it on the record.

Mr. Chairman: Just read your name into the record.

Mr. Cooper: My name is R. T. Cooper. Mr. Chairman, the committee met approximately once a month at the very outset but, towards the end, as the report was being finalized, it was almost twice a week. I would say in total it met about 12 times.

Mr. Wildman: Do you know as yet when that report will be finalized?

Hon. Mr. Henderson: Wait a minute. The report has been finalized.

Mr. Wildman: It has been finalized and it has been submitted?

Hon. Mr. Henderson: The cabinet has not finally adopted it.

Mr. Wildman: You do not know what kind of time frame we are looking at?

Hon. Mr. Henderson: I do not know what to tell you. It might be a week, it might be a month. My colleagues have to look at the recommendations. I just cannot give you an answer on that.

Mr. G. I. Miller: Mr. Minister, did you say this committee has completed its job?

Hon. Mr. Henderson: The committee has completed its job and has reported to the policy secretariat and to the ministers. The report has been in the hands of the ministers since September 23, and it is not going to be released until it is through cabinet.

Mr. G. I. Miller: Has there been any consideration given to the plants that have been already closed, or are not being utilized? Are they going to be given any priority, or any consideration in dealing with this?

9:20 p.m.

Hon. Mr. Henderson: This was a committee to look at single-industry towns, mostly in northern Ontario. The mining towns were the concern. The member for Algoma (Mr. Wildman) would be able to tell of three or four towns up there where the little mine owned the homes, practically owned the town, and if the mine closed, 400, 500 or 600 people were out of work with no place to go. That was our worry and concern.

Mr. G. I. Miller: So no consideration was given to southern Ontario. For example, the Essex International car plants have been closed for two years. Those buildings have been sitting there not being utilized. That is not part of your strategy?

Hon. Mr. Henderson: Mr. Chairman, let me just give part of my statement. For the purpose of the committee a single-resource-industry community was to be described as a community or a group of communities basically related to a resource base for their existence and dependent upon single large employers, primarily but not exclusively located in northern Ontario.

There were a few in southern Ontario where one industry made the town what it was. I could think of going into eastern Ontario, for example, Kemptville. The government of Ontario makes Kemptville what it really is: the college there, the Ministry of Natural Resources.

Mr. Wildman: I thought Walter Baker did.

Hon. Mr. Henderson: Walter is a big help. So have I explained it to the member? It was the single-industry towns. I went on in my statement to say that Oshawa, Thunder Bay, Oakville and Windsor, for example, are not single-industry towns. Some of the Windsor members here today would say it is an automotive town.

Mr. G. I. Miller: But they were included.

Hon. Mr. Henderson: No, I said they were excluded.

Mr. Chairman: Anything else on that?

Hon. Mr. Henderson: Question: "Native Affairs. Please advise which of the 40 issues is nearest to resolution." The member referred to a letter in which we listed 40 issues. We do not have the letter here, do we?

Mr. J. A. Reed: It was a letter from H. Bruce Crofts.

Hon. Mr. Henderson: Yes, but it listed issues. My response is that the list of 40 native affairs issues recently tabled in the House reflects the broad range of concerns that the government is addressing in an effort to meet the needs and interests of native people in Ontario. Active discussion is taking place with respect to all of these issues, with some matters more readily resolved than others.

I am pleased to advise that in response to the request from Indian reserves for increased staffing for the Indian policing program, the Solicitor General (Mr. G. W. Taylor) has recently approved seven new Indian constable positions. We are now awaiting the agreement of the federal government, since they cost-share this program with Ontario. The Solicitor General has also agreed to the establishment of an Ontario Indian police commission to advise him on matters related to the administration of the Indian policing program. I believe we will see the establishment of that commission in the near future.

Progress can also be expected in the very near future in a number of other areas, such as the direct involvement of Indian people in the planning and management of social issues for Indians to improve the effectiveness of these programs on reserves.

"What steps has minister taken to reach a settlement in the Whitedog and Grassy Narrows mediation?"

With respect to the Whitedog and Grassy Narrows mediation process I would like to point out that Ontario entered into the negotiations with the band for the purpose of addressing the socioeconomic needs and requests of the two

bands. The response to the Islington band was designed to make significant improvements in the social and economic conditions of present and future members of the Islington band.

Earlier this year my predecessor met directly with the chief of WhiteDog regarding outstanding matters in our negotiations with the band. Steps were taken at that time to remove obstacles to the band settlement with Ontario Hydro and to facilitate the band's renewal of negotiations with Great Lakes Forest Products, with whom the band is also seeking a settlement.

Subsequently, Ontario modified its offer to the WhiteDog band, and in March we outlined a number of offers that indicated our willingness to initiate social programs requested by the band and to assist the band through the creation of employment opportunities in various resource-related activities.

Since March, I have had no response from the chief. More recently my deputy met with the Indian Commission of Ontario and with the negotiators for the band and for Ontario Hydro to assist in working on an acceptable compromise in one remaining issue in the Hydro-band settlement.

I also recognize the need for a settlement between both the WhiteDog and Grassy Narrows bands and Great Lake Forest Products Ltd. Since negotiations between them did not resume earlier this year, as we had expected, I have written to Mr. C. J. Carter, president of Great Lakes, to see where the matter stands in their negotiations with the bands and what can be done to move more quickly towards a settlement. I have not yet had a reply from Mr. Carter. That was three weeks or a month ago. It could have been a month ago; I do not have the date in our response here.

With respect to our negotiations with the Grassy Narrows band, Ontario submitted an offer to the Grassy Narrows band late last year, as did the federal government. The band has indicated that it does not wish to respond to the Ontario offer until further negotiations with the federal government are complete.

We had expected discussions to resume with Grassy Narrows this fall, but so far a meeting date has not been set. We understand that another chief has just been elected on this reserve. This may result in further delays.

"Will the minister support the extension of the moratorium, and will he assist the Indians if they bring forth an economic plan for the long-term development of this resource for the Indian people?" That was the question.

As the member is aware, the five-year moratorium on the issuing of additional licences to the non-Indian people for harvesting wild rice is to expire in May 1983.

The Ministry of Natural Resources, which has the responsibility for managing natural resources for all the people of Ontario, including the native people, has informed grand council Treaty 3 and the interested public that the Ministry of Natural Resources will evaluate the benefits that the moratorium has provided to the Indian people over the five-year period and will assess the positive and negative effects it has had on the Metis, nonstatus Indian and non-Indian peoples. After the evaluation is completed, Ontario will be in a position to comment on the extension of the moratorium.

I wish to point out that during the moratorium the Ministry of Natural Resources has encouraged the Indian people to identify harvesting areas, has offered to provide them with technical advice and assistance related to any or all aspects of wild rice management and harvesting and has acquired mechanical harvesters, which are available on loan to the Indian people for the purpose of harvesting wild rice and collecting seed rice.

The Ministry of Natural Resources, the Ministry of Northern Affairs and the Indian people of northwestern Ontario have been and continue to be jointly involved in a number of research projects related to improved production levels, expanded cultivation areas and more effective management of wild rice.

With respect to the economic development proposals concerning wild rice, Chief William Wilson of Manitou Rapids submitted to the Premier (Mr. Davis) on June 1, 1982, a proposal for the development of a corporate structure to co-ordinate and facilitate the effective administration and management of the wild rice industry for the Indian people in the Treaty 3 area. The proposal is under review by Ontario, and a response will be forthcoming. That is the answer to that question, Mr. Chairman.

9:30 p.m.

Mr. Wildman: How many staff people do you have who are involved specifically with native affairs issues?

Hon. Mr. Henderson: We have 23 staff within our ministry.

Mr. Wildman: Would it be a completely unfair statement to make that although the provincial secretariat has been given the responsibility for facilitating communications with

Indian natives and dealing with native affairs issues, the Ministry of Natural Resources is the ministry that really has the responsibility in the government for resolving these issues?

Hon. Mr. Henderson: Not all issues, no; only for those portions within the ministry. I mentioned in my statement the Ministry of the Solicitor General, for the policing, the Ministry of Community and Social Services and all the different ministries involved.

Mr. Wildman: But of the 20 or so major issues tabled in response to the written question of my colleague the member for Riverdale (Mr. Renwick), the vast majority of them referred mainly to the Ministry of Natural Resources.

Hon. Mr. Henderson: I forget the complete answer; but to agree with the member, we recognize that many of those are dealt with under the Ministry of Natural Resources. When it comes to policing, it is the Ministry of the Solicitor General, justice is the Ministry of the Attorney General, then there is education and, as I say, the social part.

Mr. Wildman: What I am really trying to find out is, for instance, if one takes the 1924 land agreement—which I always find amusing whenever it is mentioned, since it refers to 1924 and this is 1982 and we still do not have an agreement—who is responsible?

Hon. Mr. Henderson: That involves a little more than just the government of Ontario.

Mr. Wildman: I know; it also involves the government of Canada. I am not putting the blame on the minister. I am just asking him who is responsible.

Hon. Mr. Henderson: If the member is interested, I might tell him that I am interested in my home riding. I have a real problem. I have a reserve that has \$1 million lying in the kitty because of that.

Mr. Wildman: What I am asking the minister is, who is responsible?

Hon. Mr. Henderson: The Minister of Natural Resources.

Mr. Wildman: Okay; Ted Wilson, basically.

Hon. Mr. Henderson: The Minister of Natural Resources. Ted Wilson is quite knowledgeable. Here is a list: 1. Attorney General (Mr. McMurtry); 2. Attorney General; 3. Attorney General.

Mr. Wildman: Surely the Attorney General is involved in those because of the very fact that the Ministry of Natural Resources was unable to resolve it and they are in the courts.

Hon. Mr. Henderson: Quite a number of them are, yes. The ones we have here are all the Attorney General, but the one the member is interested in is the Minister of Natural Resources. There are 40 of them.

To continue: 7. Minister of Citizenship and Culture (Mr. McCaffrey); 8. Minister of Citizenship and Culture; 9. Minister of Citizenship and Culture; 10. Minister of Citizenship and Culture; 11. Minister of Community and Social Services (Mr. Drea); 12. Minister of Community and Social Services; 13. Minister of Community and Social Services; 14. Minister of Community and Social Services; 15. Minister of Community and Social Services; 16. Minister of Consumer and Commercial Relations (Mr. Elgie); 17. Minister of Education (Miss Stephenson); 18. Minister of Education—I could go on and read them all if the member wishes.

Mr. Wildman: Okay. I will use another ministry as an example then. I recently wrote to the minister regarding a question of the treaty Indian tax exemption. What has happened is, as a result of the expansion of the sales tax in last spring's budget, treaty Indian people are suddenly being hit by paying a tax they have never had to pay before because takeout meals in fast-food restaurants are now taxed.

The other situation is where treaty Indian people—who according to the treaty are not supposed to pay taxes as long they are living and working on reserves—are having to pay a tax unless they can persuade the person in the Kentucky Fried Chicken outlet that they are not going to eat the chicken until they get back to the reserve. I wrote to the minister, and he simply wrote back a very nice, polite letter, a friendly letter, and said, "I am referring this to Mr. Ashe."

What I am asking is whether that is the way it works. Is it the particular line ministry that is involved with a particular policy which deals with it and the provincial secretariat is more or less a conduit; it handles meetings and decides who should answer what letter and so on, but its staff is not getting involved in the issue and trying to facilitate a resolution before we end up in situations where we have a full-fledged dispute between the treaty Indians or whatever—nonstatus in some cases—and the ministry involved?

Hon. Mr. Henderson: Native people living on the reserve and purchasing this food on the reserve are definitely exempt from the tax. There are other provisions when they go off the reserve. If I may, I want to read something—the

member already has read it—for the rest of the members of the committee:

"The Honourable Lorne C. Henderson, Provincial Secretary for Resources Development, has asked me to reply to your letter of September 8, 1982, regarding the application of retail sales tax on takeout meals purchased by status Indians.

"Paragraph 5(1)73 of the Retail Sales Tax Act exempts the purchaser of 'tangible personal property situated on a reserve. . . when purchased by an Indian, and tangible personal property purchased by an Indian off the reserve when delivered to the reserve for consumption or use by an Indian.' This provision is intended to parallel the exemption from tax contained in section 87(b) of the Indian Act (Canada) which exempts 'the personal property of an Indian or band situated on a reserve.'

"Formerly the exemption applied to goods purchased off the reserve only where they were delivered to the reserve by the vendor or the vendor's agent. Effective September 1, 1980, the administration of the delivery requirement was relaxed and the exemption was also made available where it was considered reasonable to believe that the goods would be taken to the reserve by the Indian purchaser.

"In any event, takeout food would not have presented any problem prior to the 1982 Ontario budget as it was classified as an exempt food product. The exemption for status Indians was not altered by the 1982 Ontario budget. Takeout food is normally consumed near the place of purchase rather than on the reserve and, under these circumstances, the exemption does not apply. An exemption for Indians is available, however, where takeout food is delivered to a reserve by a vendor or his agent."

That letter is dated October 15, 1982, signed by the Minister of Revenue (Mr. Ashe) and addressed to the member for Algoma. As I said, I think the member has read that.

Mr. Wildman: Yes. I appreciate the minister read that for the benefit of the other members.

Hon. Mr. Henderson: So it is quite clear what the situation is.

Mr. Wildman: Yes, it is quite clear that because of the extension of this retail sales tax to cheaper meals in the last budget, we now have the situation where people who never had to pay a tax before are now having to pay a tax. They believe that to be a violation of their treaty rights.

9:40 p.m.

Ms. Fish: Mr. Chairman, I want to pursue the question of the co-ordination of policies and programs for natives and, in particular, to get a better handle on exactly the role of the secretariat.

Not surprisingly, since I represent a downtown riding, my angle on the thing is in dealing with those natives who are not on reserves, who have come to the city over the years—not just to Toronto, although it is in Toronto that I have worked with many native groups, notably the Native Canadian Centre of Toronto on Spadina Road.

From my work with native groups, particularly through that centre, some of the things that become obvious to me very quickly were that the difficulties very often experienced by natives in the city are because their roots are not in Toronto but much deeper, perhaps back on the reserves or in smaller towns near the reserves where they have lived. They have developed expectations, patterns of behaviour, levels of education, job opportunities and suffer a degree of culture shock when they come to Toronto.

In trying to deal with the problems, I have found that a number of ministries are involved at different points. I have dealt on various occasions with the ministry in which I am parliamentary assistant, the Ministry of Citizenship and Culture. Some aspects of the programming are in the Ministry of Community and Social Services, the Ministry of Municipal Affairs and Housing, the Ministry of Natural Resources and others.

As I understand it, the involvement of the Provincial Secretariat for Resources Development in Indian and native affairs has been described as an involvement on a corporate level rather than on a program level. I wonder whether the minister can explain to me exactly what his role is in co-ordinating programs to natives, whether it touches upon the urban native or what I might describe as the rural native or reserve Indian, and whether the secretariat views its mandate as extending beyond the specific ministries that are formally attached to the resources field.

In that regard, I go back to my reference to the ministries of Citizenship and Culture and Community and Social Services, just to pick two, which are not in the minister's specific resources field but with which I have had considerable past experience in dealing with urban native problems.

Hon. Mr. Henderson: I have a response here, but I would like to enlarge on it a little.

Under the Indian Act of Canada—and I do

not hesitate to say that I believe there is some discrimination against native women; I have made my feelings on this known publicly—a native woman who marries a white man or someone other than a native is no longer a member of the band but becomes a nonstatus Indian. The native man can marry whomever he wishes and that woman becomes a member of the band. So there is that discrimination there.

I have spoken to John Munro about it and to many of our colleagues. It is more than a worry to us, it is of concern to us, and I want the member to realize this is one of the problems not addressed by the Indian Act.

As my secretariat is the lead ministry for native affairs in Ontario, I represent Ontario at the federal conferences, which I did earlier this year, in May, in Fredericton.

At that conference the native organizations made it clear to us—this is on the public record; I can get the minutes of the meeting for the committee, as I think it is important that the member is aware of this—they made it clear, in a statement, that they were children of the government of Canada. They did not want the provinces to interfere or take away any of the responsibilities that rest with the government of Canada.

They made us aware that the government of Canada had turned over to the provincial governments certain policing and welfare responsibilities and services of that nature, but they stuck to the issue that they wanted to remain children of the government of Canada. The Honourable John Munro, the minister responsible, made us aware at that conference that he was considering a new Indian Act. I guess it is still at that stage.

I have a few words here that I would like to read into the record. They may generate additional questions along the lines of the concerns expressed by the member for St. George.

As the member has noted, my role is to develop government-wide or corporate policy as well as to facilitate policy development by line ministries in regard to matters affecting native people. I am not responsible for the delivery of native programs in the province. It is Ontario government policy that all line ministries and central agencies have their own respective responsibilities and mandates to develop policy, operate programs and provide services relevant to native issues and needs, as well as to communicate directly with native people and their associations as required.

For example, the Ministry of Natural Resources, which is responsible for the management of

land and resources in Ontario, is responsible for determining Ontario's response in regard to native requests for unique access to natural resources and crown land. The Ministry of the Attorney General is responsible for advising the government in regard to the entrenchment of aboriginal and treaty rights in the Constitution. The Ministry of Community and Social Services and the native community branch of the Ministry of Citizenship and Culture develop relevant policies, operate programs and liaise directly with native groups in response to the social services and community development needs of the native people.

In my opening remarks I suggested we were the lead ministry in preparation for the first ministers' conference early in the new year. Are there questions on that?

Mr. Williams: Mr. Chairman, I think the minister was asked a question in the House a week or so ago as to the current status of preparations for the first ministers' conference. I am not clear to what extent it is the minister's responsibility to involve the affected native groups, the Indians and Inuit, on this matter. Perhaps he can elaborate on what the current situation is.

Hon. Mr. Henderson: Mr. Chairman, we do have well-organized native organizations in Ontario for the people who do not fall under the Indian Act—the Métis and the nonstatus Indians.

In my address, I mentioned that on the second Monday of this July I went to Sault Ste. Marie to meet with those two groups and others and answered questions for about an hour and a half. It was very interesting for me to learn the problems and concerns these people have. They are knowledgeable people and some raised matters that really caused me concern.

Mr. Williams: Is the minister acting in effect as an intervener on their behalf at the closed conference? What position are we taking in the matter? Are we funding them in some of their activities?

Hon. Mr. Henderson: We are co-ordinating all the provincial ministries that have programs with the native people. We are putting them together, in conjunction with the Premier (Mr. Davis), in order that we can present their concerns at the appropriate time.

There are things here that I would like to put on the record and that may be helpful to the member.

9:50 p.m.

Mr. Williams: All right.

Hon. Mr. Henderson: The Provincial Secretary for Resources Development has been assigned the lead responsibility for the province's preparation for the first ministers' conference on aboriginal and treaty rights to be held in the spring of 1983, or within one year after the charter.

As you may be aware, section 35 of the Constitutional Act, 1982, guarantees existing aboriginal and treaty rights to the aboriginal people of Canada.

Section 37 of the act provides for a first ministers' meeting with native leaders to be held within one year of the proclamation of the act. The purpose of this meeting will be to identify and define the aboriginal and treaty rights of Indians, Métis and Inuit, the original people of Canada.

Recently, the federal government held a preparatory meeting of federal, provincial and territorial officials, together with national native officials, in Winnipeg on October 14, 1982. My deputy minister and the Deputy Minister of Intergovernmental Affairs attended on behalf of this province. At this meeting, the officials and the native representatives identified possible agenda topics for discussion at the first ministers' conference. Further meetings are now scheduled for November in order to give greater definition to these agenda topics.

The province is committed to the involvement of Ontario native leaders in our preparations for the first ministers' conference as well as their attendance with the Ontario delegation if they wish. Already there have been several meetings between native leaders and provincial officials to discuss the format and possible topics the first ministers may address. Prior to this Winnipeg meeting, representatives of the provincial native associations were invited to meet with a committee of deputy ministers to offer their suggestions on possible agenda items.

The Ontario Métis Association and the Ontario Native Women's Association each met with the deputies and also sent an adviser to the Winnipeg meeting with the Ontario delegation.

Subsequent to the Winnipeg meeting, the provincial status Indian associations have responded to our invitation and a meeting of my officials with the Indian constitutional advisers is scheduled. It is our hope that, by keeping abreast of the views of the native people nationally and provincially, we will be able to identify some common positions and that, where we disagree, that there will be an understanding of the basis of our disagreements.

We really believe we are trying to put together the necessary representation for the native people of Ontario for the first ministers' meeting early in 1983, possibly at the end of February or early March.

Mr. Wildman: I have two supplementary questions, one along the lines Ms. Fish raised, which I do not think has been answered and the other with regard to the Constitution.

Specifically, on the question of native people in an urban setting, can the minister indicate what, if anything, ever happened with the study that was done in 1976-77, I believe it was, about native people in an urban setting? I am not sure which ministry commissioned it, but I think it may have been, at that time, the Ministry of Culture and Recreation; I am not sure. I frankly do not know of anything that has come of it. I believe it was finished and submitted, but I do not know if anything ever happened with it.

Hon. Mr. Henderson: I have to admit that I personally—Ms. Clapp, do you want to come up to the table for a minute? This young lady is the one who handles native problems for me. Would you like to respond to Mr. Wildman's question?

Ms. Clapp: Mr. Chairman, the urban task force on native people has been meeting for, I believe, at least two years. The research findings have been completed and they are being reviewed both by the native people and the government. I believe they will come forward shortly for consideration in terms of next steps.

I think you may realize that really the interest was to assess how adequate the services are that are now available to native people in the urban environment and what kind of changes can be made to those programs to make them more suitable to the people.

Quite a bit of research has been done and the next question is how now to incorporate some changes into the programs that would accommodate the gaps in services that have been identified.

Mr. Wildman: The other question I had was specifically in regard to the constitutional conference. Can the minister give us the position of the provincial government with regard to the role of the native groups at the conference? Is it the position of the provincial government that the treaty Indian organizations, Inuit organizations and maybe the nonstatus organizations are to be represented as parts of provincial delegations, or are they to have a role independent of the provincial governments?

In other words, what is going to be their

position at the table? Is it the position of the provincial government that the Indian organizations themselves, as well as the other native organizations, will be able to determine who represents them at the table? Will they be able to veto decisions made with regard to their rights?

Hon. Mr. Henderson: My deputy has an answer to your question. I think it would be good to let him answer and maybe Ms. Clapp would like to add to it after that.

Mr. Thatcher: Mr. Chairman, the Constitution Act, section 37, provides for a meeting of the first ministers to be held to which will be invited representatives of the aboriginal peoples. Aboriginal peoples are defined as Indian, Métis and Inuit.

The Prime Minister has indicated in a preliminary description of the meeting he has sent to all the Premiers that he anticipates there will be two seats at the table for each of those three native groups, as well as two seats at the table for the provinces and the federal government.

They will be provided with equal representation for that portion of the conference that will deal with native affairs matters. It is intended that other matters dealing with the Constitution may also be raised at the same meeting. For the purpose of any matters that affect the native people, they will have full representation around the table.

Now I should say that, being a national conference, it is the Prime Minister's intention to invite the national organizations of those three types of aboriginal people. In each of the provinces there are also associations and organizations of native people who may not have direct representation in the national organization—

Mr. Wildman: Such as Bear Island.

Mr. Thatcher: Well, there are many. In a number of cases, those organizations are approaching their provincial governments to see whether the provincial governments can represent the views of those people.

Mr. Wildman: I really doubt you could represent Bear Island since they are fighting you in court right now.

Mr. Thatcher: I am not aware they have asked the government to represent them but there are other organizations in Ontario that have. While the Premier of Ontario will have to represent the views of many segments of the population of the province, he has indicated that if the native organizations in the province

make their views known to him, to the extent possible he will represent those views at the table.

10 p.m.

Mr. Wildman: Thank you. I appreciate that answer, but I must say that it has not quite responded to my query. My query was: What is the position of this government with regard not only to the question of representation but also to the role of the native groups? The reason for the collapse of the New Brunswick meeting—it may not be fair of me to call it the collapse, but the early termination—was disagreement, as I understand it, between the native groups and the federal and provincial governments represented over what exactly their role would be.

I admit the Ontario government went a long way in terms of expressing the concerns of the native organizations. I am not being critical of the government. I just want to know what the position of the government is with regard to the role of the Indian groups. Do you agree with their position that they represent themselves at that meeting and that they be able not only to be represented but actually to vote on the decisions made with regard to their rights?

Mr. Thatcher: Mr. Chairman, could I just ask Mr. Wildman to clarify if when he says "that meeting," he is referring to the first ministers' conference?

Mr. Wildman: Yes.

Mr. Thatcher: Thank you. The meeting itself is established by statute and the rules of the meeting will be presided over by the Prime Minister of Canada. Ontario will be invited to the meeting but will not set any of the rules of the conduct of the meeting other than as one representative among 11 provinces, two territories and three national native organizations. That is how the conference will be run.

As far as Ontario's relationship with the native groups, let me just say that in Fredericton a meeting was convened. It was a federal-provincial meeting attended by the Ontario minister, the ministers of all the provinces and the federal minister, Mr. Munro who had also invited the Assembly of First Nations to that meeting.

A number of the Ontario leaders among the status Indians who had gone to Fredericton to meet as a part of the national organization came to that meeting with Dr. Ahenakew, the representative and spokesman for the national organization and stayed while he presented his views. After presenting their views, that group

left the meeting. The provinces and the federal government and some native organizations from some of the other provinces, but not from Ontario, continued the meeting into the afternoon and concluded it in an orderly fashion. As far as I am aware and as far as anybody else at the meeting is concerned, the meeting was an orderly and constructive meeting.

Mr. Wildman: Mr. Thatcher, are you a lawyer?

Mr. Thatcher: No, sir.

Mr. Wildman: You would make a good one.

Mr. Thatcher: Thank you.

Mr. Wildman: I understand exactly how the thing is going to be set up and how it is going to run. I realize that it is going to be under the aegis of the federal government, and Ontario along with the other provinces will be invited. I realize that Ontario will not be setting the rules. What I am asking is: Does Ontario have a position on what the procedure should be? If you do, does that procedure which you think would be the best involve the native organizations having a vote?

In other words, if the Prime Minister and his advisers from the federal government say, "We understand that this is a meeting among first ministers and that we are inviting the native groups to participate, but the decisions will be decisions made among first ministers alone," will Ontario be satisfied with that? That is what I am asking. If your position is that you would rather not say until the meeting, I can understand that as well, but that is what my question is.

Mr. Thatcher: I would rather say. There is no question at all that the three national native organizations are full participants around the table. I am not sure that it is the intention of the first ministers to have a vote, but if they have a vote, the three native organizations will have the same vote as each province.

Hon. Mr. Henderson: They have the same representation at the table as we do. That is already decided. Does that answer your question?

Mr. Wildman: Yes.

Mr. Chairman: Were there any other questions you had to answer, Mr. Minister?

Hon. Mr. Henderson: I believe I have answered the five or six on the record.

Mr. Kolyn: I would like to ask a supplementary to Mr. Wildman's question. I am certainly interested in this conference we are going to be having in February some time, Mr. Minister.

There are a few problems in this tripartite

discussion of current issues such as the Indians' right to fish as well as the Indians' right to harvest wild rice. I see there is a policy on Indian reserves which you have already touched on and there are a number of outstanding Indian land claims. You also touched on the renegotiation of the 1924 Indian land agreements. These five issues seem to me to be very divisive in some instances.

Will we be far enough along by February to have some kind of common ground when we go to the first ministers' conference? I happened to be in the Northwest Territories this summer and I talked to one of the members of the Council of the Northwest Territories. They are quite perturbed about the Mackenzie Valley pipeline and the land claims that they want settled.

They were suggesting to me that they are a long way from getting their particular issues resolved. Are we a lot closer to getting some consensus of the groups on these five issues?

Hon. Mr. Henderson: I could answer you off the cuff, but I would like to go to a prepared text that I have here. The structure of the tripartite process in Ontario is basically a tripartite council, on which I personally represent Ontario. The Honourable John Munro, Minister of Indian Affairs and Northern Development, represents the federal government and the status Indians are represented by the presidents of the four status Indian organizations in Ontario.

Current Grand Chief John Kelly represents Treaty 3. Grand Chief Wally McKay represents Treaty 9. Mr. Joe Miskokomon is the president of the Union of Ontario Indians and the Association of Iroquois and Allied Indians is represented by its president, Mr. Gordon Peters.

The tripartite council meets three or four times a year and is chaired by the commissioner of the Indian Commission of Ontario, Mr. Justice Patrick Hartt. The agenda for council meetings is composed of matters which have generally been discussed by Indian, provincial and government representatives informally or in committee and have been referred to the council for decisions.

It is a basic premise of the tripartite process that Indian representatives will be involved at all levels in all discussions of the issues on which the council agrees. There are a number of issues and activities ongoing in this process and Indian representatives are involved in all of these matters.

Mr. Justice Hartt, as the facilitator of the tripartite process, has the prerogative to meet with any one of the parties individually to clarify

issues and to obtain information and convene meetings of representatives on any matters the parties have agreed to discuss. With respect to any of the items under discussion, Mr. Justice Hartt's role is to assist the parties to continue the productive discussion of issues and to reach mutually satisfactory solutions.

10:10 p.m.

Having said that, I want to enlarge a little bit. I have received letters as recently as yesterday on the 1924 agreement, and after almost 60 years it is time for updating. There are some pretty obsolete clauses in that agreement but it is very difficult for Mr. Justice Hartt to have the opportunity to get the Honourable John Munro, myself, and the native people together. We have cancelled the last two meetings, one because John Munro had to be in Ottawa. He is planning on being here the evening of November 10, but I hope to be back in my home riding that day, as I am sure you do. It is very difficult for us to get together and finalize these things.

Mr. Justice Hartt is an outstanding individual, who really applies himself and tries to get these together. Let me go to the fishing problems and most of the fishing problems are near the areas where I come from. The Thames River, although not in my riding, is within five miles of my home riding. There is a big problem with fishing.

The Minister of Natural Resources gave the original extension. We gave them a year to get together and in March we went to Ottawa for an evening meeting with John Munro. Justice Hartt begged us to extend the time and we did. We met downtown and Alan Pope stayed that day with them. I have read and am quite happy with what they have tentatively agreed to respecting the fishing, but we really have not got it signed yet. That is what John Munro wants to do next Wednesday night. That answers the questions about the 1924 agreement and the fishing. What was the other one, Mr. Kolyn, that you—

Mr. Kolyn: You touched upon the Indian rights to harvest wild rice.

Hon. Mr. Henderson: Yes, that was a five-year opportunity for the native people to supply wild rice. Mr. Wildman must know that there could be more wild rice grown. There is wild rice coming in from other areas. This concerns me. I would like to see our native people growing more of it. There is a market here for it and they are not capitalizing on it, if I might use that word, although you might not like the word "capitalizing" with your political beliefs. I would

like to see the native people capitalize more on it.

Mr. Wildman: It's a co-operative.

Mr. Kolyn: The next one was the policing on the Indian reserves. As I recall, at one time the reserve policing was done by the Royal Canadian Mounted Police, and then it was done by the Ontario Provincial Police. Are you telling me now that we are going more and more to the Indians policing their own reserves? I was thinking basically of places such as the Six Nations Indian Reserve with which I am familiar.

Hon. Mr. Henderson: Yes, you are familiar with the Six Nations. I have Walpole Island. The Ontario Provincial Police have a corporal out on Walpole Island, who negotiates with the local police force on Walpole Island. They did have three police officers and there are 1,600 natives there. They asked for an additional officer. The Solicitor General has to agree to that and after the agreement, if we see the need for the fourth policeman, we have to get the agreement of the government of Canada because there is a cost-sharing agreement. This could apply to other reserves, but I am speaking of something I have dealing with on a personal basis in the last month. That is the way it is handled. They run their own policing, under the direction of the local OPP force.

Mr. Kolyn: I see. The province is also providing funding to the native organizations to help them to develop their positions on these very important matters. How much is that funding?

Hon. Mr. Henderson: Speaking off the cuff, what was the last figure—\$175,000? Who knows that figure? Judy, do you want to answer that? I know it is a little more than the figure I quoted, but not that much more.

Ms. Clapp: It is \$200,000 for this fiscal year, and that is divided among the status Indian organizations—there are four of them—the Métis association and the native women's association.

Mr. Kolyn: While I have the minister here: Referring to page 19 of his financial information I would just like to know the transfer payments. It says that the tripartite negotiations are \$311,400. Is that from the federal government?

Ms. Clapp: No, that is Ontario's contribution to the operation of the Indian commission. We contribute one third and the federal government contributes its one third plus the one third for the native organizations. The figure in our estimates also includes a contribution that the

province makes to the status Indian associations for their own participation in the various activities: their travel, their staff and so forth.

Mr. G. I. Miller: Could I ask a couple of my questions? Is that total money that goes to the Indian reservations across Ontario?

Ms. Clapp: No, that money is made available, the portion that is contributed to the status Indian associations.

Mr. G. I. Miller: Associations.

Ms. Clapp: That is right, and their leaders determine how they use that for staff and travel.

Mr. G. I. Miller: I noticed that the member for Lakeshore (Mr. Kolyn) is familiar with the Six Nations, and I am too. It is not in my riding; it is in Brant-Oxford-Norfolk. But we have been associated, and I think it is the largest reservation in Canada. I know they do have water systems at Oswego. They have taken advantage of Wintario grants. There are two reservations—at New Credit, the Mississaugas—and they have taken advantage of Wintario grants.

Do they also get education grants from the province? I know they are expanding their industry there. There has been encouragement. Has any funding gone into that?

Hon. Mr. Henderson: Judy, do you want to answer? I can, but maybe Judy had better answer it.

Ms. Clapp: My understanding is that the federal government pays for education on reserves 100 per cent.

Mr. G. I. Miller: They pay 100 per cent?

Ms. Clapp: That is my understanding.

Mr. G. I. Miller: What about the water and sewerage?

Ms. Clapp: That would be a federal responsibility as well. I think the Six Nations reserve has maintained a stronger relationship with the federal government, probably, than any other reserve in Ontario. In many instances where the other bands, and certainly their organizations, look to the province, the Six Nations reserve has been quite independent.

Mr. G. I. Miller: Do they have any good highways under development?

Ms. Clapp: No, I believe highways are a provincial responsibility, and I think it is having the right of way to go through the reserve. But I believe that the cost of building roads is carried by the province.

Hon. Mr. Henderson: Exactly the same as other municipalities.

Mr. G. I. Miller: I would just like to add that the Six Nations reserve has really moved ahead in my lifetime. When you mentioned 1924, that was a pretty good year.

Hon. Mr. Henderson: There were some characters born that year, I understand.

Mr. G. I. Miller: But there has been a lot of—

Hon. Mr. Henderson: Excuse me. Judy, I got a wrong impression out of your answer, or wrong in my mind. Let me correct it. You said the government of Canada pays the education costs on the reserve?

Ms. Clapp: Yes, sir.

Hon. Mr. Henderson: The government of Canada reimburses the province of Ontario for the secondary education as well off reserves, does it not?

Ms. Clapp: With regard to the Indian children who go to schools off reserves, I believe there are contracts negotiated between Indian Affairs and the local school boards, and there is a reimbursement to the local school boards on a per-student basis.

Mr. Kolyn: That is true. Children have been bused off the reserve to Hagersville schools for years.

Mr. G. I. Miller: Mohawk College does have a classroom at the Mississaugas. I am not sure about the Six Nations, but they do have a classroom there and give them education on the reservation itself.

Hon. Mr. Henderson: Maybe you should tell members where Roberta comes from.

Ms. Clapp: The minister is referring to Roberta Jamieson, who has been the very, very able assistant to Justice Hartt on the Indian commission. She is a lawyer, and her home is the Six Nations reserve. I believe she lives there and commutes to the city.

10:20 p.m.

Mr. G. I. Miller: I recognize the name. Lots of talent has come off the reservation.

Hon. Mr. Henderson: She drives back and forth to Toronto each day.

Mr. Wildman: The funding that was initially prescribed for the tripartite procedure is funding for research, travel expenses and that kind of thing, whereas the funding we were talking about just now is for on-line services which come from the federal government.

How do you respond to the attitude I have heard from some Indian leaders that the tripartite process has become a dumping ground for

issues that one or more of the parties involved does not want to resolve and that, unfortunately, it has become a stalling tactic to put some issue into the tripartite process?

Ms. Clapp: I think the process was far too ambitious initially and there was a lot of disappointment. I believe initially it was seen almost as a panacea to get at issues that required both the province and the federal government to work co-operatively with the Indians to resolve.

In the period of time the process has been going on, we have learned that we do much better when we focus on one issue at a time or focus on that issue in a precise way, given time limits and funding, to be sure each party has the appropriate research and staffing to deal with that issue.

I think the minister mentioned the memorandum of agreement to deal with the rights of treaty Indians to fish. He mentioned we are nearing the end of that negotiating period with a draft agreement prepared for the ministers to sign right away.

That is a change in the process. It was quite cumbersome earlier on. The Indian organizations have drafted other agreements that are much more clearly focused on achieving a particular goal. I hope that will be a more successful and productive way to approach issues.

Hon. Mr. Henderson: I have another paper here I did not realize I had not read into the record. Mr. Riddell asked about green papers within the policy field. I have that as the sixth item.

Mr. Wildman: What colour is the paper you are going to read?

Hon. Mr. Henderson: My eyesight is not as good as it used to be, but it looks white.

Mr. Kolyn: I have a supplementary I should have asked earlier. You mentioned your concerns about nonstatus Indians. I recall a case where a young Indian girl married a white person off the reserve and they had two children. He divorced her and she wanted to go back to the reserve. I think it went all the way to the United Nations if I am not mistaken. Have you heard anything as to what the outcome of that has been and where our position is on it?

Hon. Mr. Henderson: Ms. Clapp, are you aware of the case Mr. Kolyn is asking about?

Ms. Clapp: I am not familiar with all the details. I am familiar with it generally. I believe it was Sandra Lovelace from New Brunswick.

Mr. Kolyn: That is right.

Ms. Clapp: My understanding is she did go to the United Nations and she was supported there. There has been pressure on the Canadian government to amend the Indian Act. That was probably one of the pressures that motivated the standing committee on Indian affairs to appoint a subcommittee this summer.

One of the terms of reference was to look specifically at that clause in the Indian Act the minister referred to earlier which leaves an Indian woman who marries a non-Indian without coverage under the Indian Act. I believe at least one of the factors motivating the federal government to set up that committee was the United Nations support of the Sandra Lovelace case.

Mr. Wildman: It has been the practice in the last couple of years to allow bands to determine membership in the band themselves if they wish, so that has dealt with some of the people who have been in this kind of situation.

Ms. Clapp: That is true, Mr. Wildman. My understanding is that it is a local band option. The minister has decreed that any band which wishes to waive that section of the Indian Act may do so but it does take the local band council resolution to decide that it will drop a clause.

Mr. Wildman: That may be a step forward. The problem now is that there are all kinds of differences in situations.

Mr. Kolyn: The problem is that they may not all agree to it. Why I remember the case—

Mr. Chairman: Mr. Kolyn, will you speak into the microphone?

Mr. Kolyn: Why I remember the case is that since they were signatories under the United Nations, we certainly should be adhering to it. I think part of the difficulty the Canadian government had was in not looking into it so we could change it.

Hon. Mr. Henderson: Mr. Chairman, I would like to introduce Mr. Dan Russell, who is a solicitor hired by our ministry. Dan, you might take a minute to tell them what your nationality is and when you came on the scene.

Mr. Russell: I sure will. Mr. Chairman, Mr. Minister, I am a Métis lawyer, one of the 30 lawyers in this country who are of some native ancestry. I am originally from northern Manitoba.

If I may comment a little by way of background: I have worked with some of the major native organizations in this province in what is now known as the Ontario Métis Association, and not the Ontario Métis nonstatus associa-

tion. Also, I have been a legal counsel with the Union of Ontario Indians which represents the largest segment of status Indian bands in this province. I have been with this secretariat for approximately two months.

I will not go into it but I would like to comment on the Sandra Lovelace case. When you go to the United Nations with a legal case of any nature it is seldom that you end up with a legal opinion. Arguably the highest court in the world, it was convened for the first time in about 12 years, I think, in the matter of the occupation of the US consulate in Iran. There was a decision that came out of that and I believe it was the first one in 12 years. So, not surprisingly, the Sandra Lovelace case did not produce a definitive position, although it has produced arguable results.

Hon. Mr. Henderson: I thought it would be good for the committee to realize that we have a native as one of our chief advisers. He is very helpful to the ministry.

Perhaps I might be spared a minute on green papers. The secretariat has been involved in the production of green papers. Topics of inter-ministerial concern raised by the secretariat or through concerns of the cabinet committee on resources development have been developed into policy papers and then assigned to one of our field ministries to take a lead role. This ministry has then produced a green paper which CCRD approves before it is released.

Examples are the Food Land Guidelines, Wetlands, and the Agricultural Energy Management report. This process is a continuing one and more green papers will be produced from time to time.

I believe that answers all the questions that Mr. Riddell put to me yesterday. Are there further questions?

Mr. Chairman: We are getting close to adjournment time. Mr. Miller, you mentioned that the Six Nations reserve is the largest in Ontario. May I have clarification on that?

Mr. G. I. Miller: I believe it is the largest in Canada.

Hon. Mr. Henderson: It is a very large reserve. They have some brilliant people on the Six Nations reserve.

Mr. Chairman: It is the largest in Canada?

Hon. Mr. Henderson: Yes, I believe so.

Mr. G. I. Miller: In numbers.

Mr. Chairman: In numbers or area?

Mr. G. I. Miller: In numbers.

Mr. Kolyn: It is about 5,000 square acres running from the Grand River at Caledonia all the way to Brantford.

Hon. Mr. Henderson: There are some excellent people.

Mr. G. I. Miller: I have played hockey with many of them and watched their kids graduate from the Cayuga high school. They are excellent people.

Mr. Chairman: How many are there? Five thousand?

Mr. G. I. Miller: I would think 5,000, yes.

Mr. Kolyn: Five thousand.

Hon. Mr. Henderson: Judy, how many natives on the Six Nations reserve, just out of curiosity?

Ms. Clapp: I believe 25,000.

Mr. Chairman: Twenty-five thousand.

Hon. Mr. Henderson: I thought you were a little light.

Mr. Chairman: do I take it we return here at eight o'clock next Tuesday evening?

Mr. Chairman: Yes, we will adjourn till next Tuesday at eight o'clock, same room.

The committee adjourned at 10:31 p.m.

CONTENTS

Thursday, October 28, 1982

Opening statements.	R-611
Adjournment.	R-633

SPEAKERS IN THIS ISSUE

- Fish, S. A., Acting Chairman (St. George PC)
- Harris, M. D., Chairman (Nipissing PC)
- Henderson, Hon. L. C., Provincial Secretary for Resources Development (Lambton PC)
- Kolyn, A. (Lakeshore PC)
- McClellan, R. A. (Bellwoods NDP)
- Miller, G. I. (Haldimand-Norfolk L)
- Reed, J. A. (Halton-Burlington L)
- Reid, T. P. (Rainy River L-Lab.)
- Wildman, B. (Algoma NDP)
- Williams, J. R. (Oriole PC)



No. R-24

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Resources Development
Estimates, Resources Development Policy



Second Session, Thirty-Second Parliament
Tuesday, November 2, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Information Services Branch, Ministry of Government Services, 5th Floor, 880 Bay Street, Toronto, M7A 1N8. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Tuesday, November 2, 1982

The committee met at 8:10 p.m. in committee room 2.

ESTIMATES, RESOURCES DEVELOPMENT POLICY (concluded)

Mr. Chairman: I call the meeting to order.

On vote 1801, resources development policy program:

Hon. Mr. Henderson: Mr. Chairman, the member for Lake Nipigon (Mr. Stokes) is really the critic of native affairs. The member for Nickel Belt (Mr. Laughren) is the critic of the secretariat, and the member for Algoma (Mr. Wildman), if you remember, asked a couple of questions. I would like to put the answers to them on the record, which I agreed to do the other night.

Mr. Chairman: Go ahead and put those on the record.

Mr. J. A. Reed: On a point of order, Mr. Chairman: How much time is left in these estimates?

Mr. Chairman: The clerk informs me there are two hours left.

Mr. J. A. Reed: Two hours even?

Mr. Chairman: Yes.

Mr. J. A. Reed: All right. I guess we should proceed. The only observation I have is that the chairman of the Niagara Escarpment Commission is here again tonight, and it seems to me that some of the things he has to say should be of paramount interest to many of us.

Mr. Chairman: I do not think the minister or any of the committee members will object in view of the fact that it is eight or nine minutes after eight. We might proceed to approximate our time.

I think the members of the third party have indicated to me that they could respond either individually or collectively in approximately an hour. It looks as if the minister has about three minutes.

Hon. Mr. Henderson: Yes. I have a one-page answer here.

Mr. Chairman: So that ought to leave us approximately an hour.

Hon. Mr. Henderson: Why don't we agree to a certain time? It is 8:15; let's assume you will take an hour. Then we can go to the Niagara Escarpment Commission.

Mr. Chairman: Can we go an hour between the member for Lake Nipigon and the member for Nickel Belt? Okay?

Hon. Mr. Henderson: Mr. Chairman, the member for Algoma spoke about the air pollution and asked for an extension until August 30, 1982. I did send a letter today to the Minister of Natural Resources (Mr. Pope), asking him to give consideration to what the member suggested.

To respond to the member's question regarding the control of emissions at the Algoma Ore division plant at Wawa, I have contacted the Ministry of the Environment for details.

There is now in effect, and there has been since July 4, 1978, an amending control order under the Environmental Protection Act limiting sulphur dioxide emissions from the Algoma Ore plant in Wawa. The emissions are limited to a maximum of 4,200 long tons per week during the growing season, May 15 to September 15, and to a maximum of 6,000 long tons per week during the nongrowing season, September 16 to May 14. In conjunction with the weekly loading restrictions is the requirement that ground level SO₂ concentration not exceed 0.5 parts per million.

The company has run into occasional difficulties meeting the requirements of the order, and several charges have been laid. However, the Ministry of the Environment advises that in general they are complying with the control order.

Approximately two years ago, Harry Parrott, then Minister of the Environment, approached producers of SO₂ emissions with a request for suggestions on how further reductions might be achieved. Algoma Ore responded to the MOE late in the summer of this year. Discussions are now going on between the company and the Ministry of the Environment.

The Acting Chairman (Ms. Fish): Thank you. If the member is satisfied with the answer, perhaps the member for Nickel Belt would like to lead off.

Mr. Laughren: Madam Chairman, this is the first time I have responded as my party's critic for the Provincial Secretariat for Resources Development, and I am pleased to do so. I consider the secretariat to be potentially important. How important it is in real life depends a great deal on how the minister sees his own role as a provincial secretary.

In the Legislature this afternoon, I did raise a question to the Premier (Mr. Davis) that involved the minister. I was surprised that the minister had not heard about it, but perhaps that is an indication of something else in itself.

My point was that this minister should not be responsible for native rights in Ontario. I believe it requires a great deal of sensitivity and, having read the Hansard report of debates of Thursday last, I felt this minister should consider passing on responsibility for native rights to some other minister in the cabinet. I did that not to be at all personal but because I feel it is in the best interests of the native people in the province and of the province of Ontario. I am most serious—

Hon. Mr. Henderson: Madam Chairman, I wish the honourable member would name the parts of the minutes that he is so worked up over. Please put them in the record.

Mr. Laughren: I am prepared to do that.

Hon. Mr. Henderson: Yes. Well, we will look for it.

Mr. Laughren: I will quote from page 2225-1 of Instant Hansard:

"Hon. Mr. Henderson: Mr. Chairman, I would like to introduce Mr. Dan Russell, who is the solicitor that we have hired by our ministry. Dan, you might tell them of your nationality. It will just take a minute. Mr. Dan Russell is the solicitor. Tell them when you came on the scene."

I think this is an inappropriate question for one of our native people.

Hon. Mr. Henderson: You would not have thought so. You would have been proud of Dan Russell if you had been here. He is in the audience right now, and if you want to question him on it, we will gladly bring him to the stand.

Mr. Laughren: You can call on whomever you like, and I am sure you will; but the point I make is that this is an inappropriate question to ask of one of our native people.

Second, on page 2140-2 of the same Instant Hansard, the minister states: "The native organizations made it clear to us, and this was public record—I can get the minutes of the meeting for

the committee, and I think it is important that you are aware of this—they made it clear in a statement that they were children of the government of Canada."

I really wonder if our native people do regard themselves as children of any level of government.

Hon. Mr. Henderson: If you want us to get records, Madam Chairman, we will. We will grant your wish. There were about 50 people sitting there when they came in and said it.

Mr. Laughren: Well, I hope the minister will get those records to the committee.

I wanted to start off by explaining to the minister why I had asked that question in the Legislature this afternoon so that there was no misunderstanding between us as to why I asked it.

Second, I believe the minister said he had recommended to the Minister of Natural Resources that he extend the wild rice moratorium until the end of next August. Is that what the minister said earlier?

Hon. Mr. Henderson: No. We were talking about emissions from the—

Mr. Laughren: Oh, I am sorry. I misunderstood it then. I did want to urge the minister to extend the wild rice moratorium. I think there has been an inadequate period of time for the native people to develop the wild rice industry. A five-year moratorium was declared by the Premier, but there have been problems during that five-year moratorium—it is really four years—partly caused by poor crops, partly caused by flooding; and for the government to end the moratorium arbitrarily after that number of years, I think is outrageous.

8:20 p.m.

I would like the minister to compare how long it has taken to develop a wild rice industry with how long it has taken to develop a mining machinery industry in this province. The private sector has had as long to develop mining machinery as they have had an opportunity to develop an integrated wild rice industry. I notice that you not are imposing any moratorium on the private sector for the production of mining machinery or the refining of ores, which I shall get to in a few minutes.

I find it an outrageous and arbitrary moratorium that you have imposed. I hope this minister will prevail upon the Minister of Natural Resources, who is responsible for making the decision as to whether to extend the moratorium, and make it clear that his position is that the moratorium must be extended.

I hope for a response from the minister some time this evening, although not necessarily right now. I did want to make that point, because I think it is terribly important that this minister serve notice that the wild rice industry is important to native people and that he is prepared to battle on their behalf to extend that moratorium.

I defy the minister to name me any industry that has been developed in less than five years. If I had any kind of interest in either seeding or harvesting wild rice, this year I would say, "Why the hell should I put money and time and effort into wild rice when I don't even know if the moratorium is going to be extended next year?"

If we take this year out, and the bad years and the beginning year—because up to that point there had been no commitment on the part of the government—the government has left them bugger-all time to develop an integrated wild rice industry.

Mr. J. A. Reed: That is very unparliamentary.

Mr. Laughtren: Well, that's fine. I wish the minister would seriously consider the potential in that industry and extend the moratorium. I shall leave it at that.

The other couple of issues I want to raise before I get into the whole question of resources development are about the Niagara Escarpment and the whole question of wetlands.

I will deal with the Niagara Escarpment first. I am pleased to learn that the chairman of the Niagara Escarpment Commission is here this evening because, as the minister will know, there has been a debate as to who should be appointed to the Niagara Escarpment Commission.

I would like to have from the minister his assurance that the person who is appointed will be someone who represents a real provincial interest in the truest sense of the word, someone who is familiar with the whole planning process surrounding the escarpment, and that it will not be simply a political appointment. I really would like the minister's assurance on that this evening.

Second, as the minister knows, there has been a hearing officer appointed and his report is going to be ready early in the new year, I believe. I would like to have the minister's assurance that this report will be available to the public. As a matter of fact, it would be very nice if the minister would table that report in the Legislature so it is available to everyone.

Perhaps, when the minister gives me that assurance, he could also tell me that there will be copies made and that interested parties will

have the report forwarded to them. It is terribly important that the hearing officer's report be made public. I know it is not in the legislation that it either must or must not be made public; so I would like the minister to assure us that it will be.

Finally, I attended a meeting at the St. Lawrence Centre, the town hall centre, two or three weeks ago—I do not remember the exact date—where the Minister of Natural Resources was the guest speaker. He was asked by a member of the Niagara Escarpment Commission whether the minister's land use policies, his famous strategic land use plan, would conform to the Niagara Escarpment plan, whenever that particular SLUP was approved.

I think a lot of mouths dropped open that evening when the minister said, "No." He said his ministry would regard the escarpment plan as simply another document to consider in the process of strategic land use planning.

My very specific question to the minister is, first of all, if he was aware of this statement, was he aware that this was the position the minister was taking? Second, was he aware that the minister made that statement at a very large gathering? And does he not agree that is in direct conflict with the Niagara Escarpment Planning and Development Act? If it is, what is the minister going to do about it? Surely it is in direct conflict with the previous act, the previous statute.

I do not know how the minister can sit back and allow another minister to tread on legislation like that. Surely the Niagara Escarpment Planning and Development Act is a legitimate statute in this province. I find it unacceptable for a minister to say, "Well, that's not really the law; we'll just look upon it as another document being submitted under the SLUP process." I hope the minister, if he is going to maintain the integrity of planning in the Niagara Escarpment, will agree with me. I look forward very much to his response.

The other issue I am concerned about is the whole question of wetlands. We have had some very interesting debates on these, and it is most appropriate that the former Minister of Agriculture and Food is now the Provincial Secretary for Resources Development, because he knows better than most about the conflict between preserving wetlands and agricultural policies.

I understand it is a sensitive area. I do not minimize that, and I would not say one thing in the estimates of the Ministry of Agriculture and Food, and then come to the estimates of the

Ministry of Natural Resources and say something different, because I understand the sensitivity of it.

We all understand the importance of preserving food lands; but there certainly are double standards on the part of the government when it comes to preserving food lands. They will make an argument at one moment that it is important to get rid of the wetlands to create new food land. The next minute they will allow an encroachment on food land for some commercial purpose. The government cannot have it both ways.

As this minister might know, early in 1981 there was a task force that recommended a provincial policy on wetlands protection. There was a discussion paper that was released about a year ago, in September 1981. I think it was the Minister of Natural Resources who received more than 500 responses. I can recall badgering him about it, and he said, "Oh, I've got to read them all myself, and then we'll do something."

What I am asking this minister is when can we expect a summary of those responses to be tabled and when can we expect a wetlands policy. Surely to goodness there has been enough time for the government to put together a policy on wetlands. I know it is an uncomfortable conflict that the government is faced with, but it has got to deal with it. The government cannot forever put off a wetlands policy. It is terribly important.

I want the minister to tell us when we can expect both a summary of the responses to the wetlands discussion paper; and second, to let us know when we can expect a wetlands policy in this province.

My second major question on wetlands has to do with the conflicts among the ministries, which I have just touched upon. Most of the destruction of the wetlands, something like 85 per cent, is in southern Ontario, and that has been attributed to land drainage for agricultural purposes.

What I want to know from this minister is what he is doing, as the minister responsible for co-ordinating resource policies, to resolve those conflicts. I should like to know the minister's position. I am sure he is knowledgeable on the issue, because he was chairman of the land drainage committee which travelled far and wide to gain expertise.

I would like to know what the minister is doing. What steps is he taking to resolve those conflicts that are out there now? He may not like these questions. I know they are uncom-

fortable for him as the former Minister of Agriculture and Food, but we have a right to answers to those questions.

8:30 p.m.

Third, there was the task force I talked about before. There were recommendations from a large number of bodies, such as the Federation of Ontario Naturalists, the Conservation Council of Ontario and the Association of Conservation Authorities of Ontario. They all recommended that drainage ditches, on which the minister is an expert, should be subject to a class environmental assessment.

I would like to know just what steps this minister is taking to ensure that there will be a class environmental assessment on drainage, because I think it is very important.

My own view is that a lot of people underestimate the significance of wetlands. For years people just said, "It's a swamp; let's get on with growing food." I have never heard any of the conservation groups, the Federation of Ontario Naturalists or whatever, be arbitrary about the preservation of wetlands. What they want is an assessment of the significant wetlands and a policy we can get on with, debate and make sure is upheld. I do not think any of this is asking too much of this ministry.

Surely there has been enough time for them to get their act together in this ministry, the Ministry of Agriculture and Food, the Ministry of Natural Resources and the Ministry of the Environment. I see no reason why that thing could not be pulled together by now.

The other major issue I want to touch on is a direct quote from page 1 of the minister's opening statement: "I am responsible for the co-ordination and review of resources policies that arise from issues being considered by the policy field ministries." That, according to the minister, is the number one responsibility of the provincial secretariat. The minister can say that in one breath and then virtually ignore problems in resource-based communities in all ensuing breaths.

That is what is so difficult to accept. Despite all the problems in the north with resource-based communities, I have not heard the Provincial Secretary for Resources Development utter a word, not one word. I am really looking forward to hearing what his policies are for turning around the economy in northern Ontario.

I have been a member of the Legislature for only 11 years; that is all. But I am sure, long before that, people were telling this government that we should not allow communities to be so

dependent upon one industry in the north. A nonrenewable resource is just that and it is inevitable it is going to run out. If there are no programs put in place to look after that, there is going to be disaster in those communities at some point down the road. I am not exaggerating when I say this government sat back and did almost nothing to diversify those communities.

Now when there is a crisis, you should see the wringing of hands—only the wringing of hands, though—about how we have to work together, we have to pull together, we cannot be critical of one another at this point: "A crisis is upon us; let us all pull together and put political differences aside."

We are not interested in crocodile tears from government ministers. That is the last thing we need. We do not need the minister's sympathy. What we want are some actions on the part of this government.

For many years we have proposed some very specific policies that we think would help turn things around.

On October 1 of this year my colleague the member for Sudbury East (Mr. Martel) and I convened a press conference in Sudbury after some of the bad announcements had already been made. We laid before the municipality, the local members of parliament, both federal and provincial, the ministers of the crown, Inco, Falconbridge, the regional government, major unions—almost everyone—a series of proposals to revitalize and rebuild the Sudbury basin economy.

We gave up a little bit in our proposals. We compromised in a way I do not like to compromise. In our proposals we did not say that revitalization was dependent upon the nationalization of the resource industries in the Sudbury basin. We knew if we did that, this government would say: "Aha, that is the NDP line again. All they want to do is take over the resource industries," and it would reject all our proposals on that premise. We know exactly how this government thinks and how it has avoided its responsibilities in the Sudbury basin. We understand that very well.

What we said in the preamble to our report was that we still believe as strongly, as a matter of fact more strongly than we ever have, that private sector ownership in the Sudbury basin has been a disaster. We still believe that, but we are putting before this government and the federal government a series of proposals which even they can accept ideologically. That is what we said. I would like to know from this minister

which of these proposals are unacceptable to him and why. I really want these answers because as yet we have had no answers at all from this government on our proposals. I prefer to get the answers here, but that may not be possible.

We have believed for a long time that simply leaving the development of the Sudbury basin where it has always been, in the hands of Inco and Falconbridge, is unacceptable. We have had growth in Sudbury. I can remember 10 years ago you could not rent an apartment anywhere. There was a severe housing shortage. They sent recruiting teams to Newfoundland and elsewhere to try to hire workers. Do you know what that was? That was growth. That was not development.

Until this government understands the difference between economic growth and economic development, we are going to have this boom and bust kind of economy in northern Ontario. So far it refuses to admit or even to signify it understands the difference between economic growth and economic development. Economic growth in the Sudbury basin meant just taking out the resource faster and faster, not diversifying the economy, which I would call economic development. We are saying that sustained economic development in the Sudbury area requires a number of things:

1. We reduce our dependency on primary resource extraction. It is going to be there, we want to encourage it to be there, but we also want to reduce our dependency on it.

2. We want to increase the employment potential of those resources through upgrading of those minerals.

3. We want to increase the industrial spinoffs related to resource extraction.

4. We want to diversify our economic base so we become less dependent upon those resources.

Those seem to me to be reasonable goals for a resource-based community. The minister can take his time and respond to those four specific goals for economic development. I am prepared to wait for the minister to respond at some future time.

8:40 p.m.

What I am saying is this: what has been regarded as economic growth in the past just has not been economic development and that is what we should be aiming for. To do that, we believe an integrated nickel complex needs to be created in the basin.

Virtually every single recommendation which I am going to present to the minister tonight

comes from an Ontario government document. These are not proposals we pulled out of the air or pulled out of some other jurisdiction. They come primarily from recommendations from this government, and some from the federal government.

I would like to know from the minister what his position is on these proposals and, if he cannot accept them, why he cannot accept them. We will hound the minister until he provides us with those answers.

A major document produced by the Ministry of Natural Resources in 1977 was called, *Towards A Nickel Policy for the Province of Ontario*. It is a blue document about an inch thick. It is an excellent document. I would like to read some of its recommendations because I believe they are terribly important.

The first says, "That the government of Ontario take the initiative in proposing to the nickel industry and concerned governments that a world nickel institute be formed to obtain, study and publish a wide range of objective information on nickel on a continuous basis as is done by the small, low cost but successful silver institute."

Nothing has been done on that recommendation five years later.

The second recommendation says, "Encourage through special Ontario income and mining tax adjustments, the adaptation and use of currently idle nickel refining capacity in Ontario and Alberta to refine part or all of that significant proportion of Ontario's mine output of nickel which still goes to Wales and Norway in semi-refined form for refining, so as to create jobs in Canada. . ."

Absolutely nothing has been done on that proposal either.

The third says, "Encourage the refining in Ontario or Canada of the byproduct platinum group metals (PGM) from Ontario nickel mines which now all go abroad for refining to metal." I hope the minister is listening to these figures. "Ontario is the world's third largest source of platinum group metals, but after 50 years still has no PGM refinery based on primary feed. This change would create new jobs in northern Ontario or elsewhere in Canada."

Nothing has been done on that proposal.

Another says, "Encourage consideration of direct reduction of nickel-bearing pyrrhotite generated in the nickel smelting process and utilization of the iron pellets in a mini-steel plant in Sudbury, thereby creating new industry and employment—perhaps 700 jobs."

Absolutely nothing has been done to implement that proposal.

This is an Ontario government document that made these proposals and this government has done absolutely nothing on any of those. They are as valid today as they were five years ago when they were proposed.

The first proposal is for a nickel institute. To this day we do not have an independent geological survey or assessment of the value of resources in the Sudbury community, or anywhere as far as that goes. This government does not know how much nickel is there. It does not know how many precious metals are there, or copper or any of the other minerals. Can one imagine being responsible for the nonrenewable resources of a province and not knowing what assets one has? That is the position of this government. It has never even bothered to undertake an independent geological assessment.

That is what the nickel institute could do for this government and for the people of the province. It could conduct ongoing market analyses and obtain and publish other information on nickel and it could investigate the prospects for import replacement of nickel-based products and processes.

Over the years, any of the efforts to use more nickel have been undertaken by Inco and Falconbridge, primarily by Inco, not because the government gave a hoot whether they just shipped it out and whether there was any further market for it. It was left strictly to them.

We export 95 per cent of the nickel we produce in this province. I do not pretend we can ever use it all here; that is not my point. But rather we could be using more of it to make finished products.

Let me give the minister some examples of products we import that have a large nickel component when we import them back as finished products. In 1981, Canada imported \$21 million worth of stainless steel cutlery and cooking utensils. We imported \$40 million worth of stainless steel surgical instruments. We imported \$241 million worth of valves; \$43 million worth of heat exchangers; \$22 million worth of dairy and milk product plant machinery; \$92 million of X-ray equipment and \$83 million of gas turbines and parts.

Those are just some. The list goes on and on. This government has not even bothered to put in place any kind of policy that says, "We are going to produce some of those products here because of the large proportion of nickel that is used in the production of those products."

Second, under an integrated nickel complex is the whole question of what the economists call resource linkages. I believe there is an economist who works for—is it this provincial secretariat?

Mr. Stokes: I think it is the Ministry of Northern Affairs.

Mr. Laughren: Northern Affairs has an economist.

Mr. Thatcher: Not in this secretariat.

Mr. Laughren: No, but there is in Northern Affairs. This secretariat has an umbrella responsibility over Northern Affairs and there is no word about that, none whatsoever.

Mr. Stokes: He is the former chairman of the Ontario Economic Council I believe, Mr. Butters.

Mr. Laughren: Does he work for Northern Affairs?

Mr. Stokes: You are not aware of that?

Hon. Mr. Henderson: No.

Mr. Laughren: That is very strange in itself. I started to mention resource linkages; that is why I got off on to economists, something I should know better than to do.

I would like to talk about refining first of all. The federal government published a discussion paper in 1981, not even a year ago, on mineral policy. This is what the federal government said, those precious Liberals in Ottawa, "Further processing of mineral resources has been a continuing objective of Canadian public policy because it provides employment, increases value added, promotes regional development and increases tax revenue."

When that mineral policy was published, it discussed zinc, copper, lead and aluminium, and it never even mentioned nickel. What does that tell you? It tells me the federal Liberals are out to lunch when it comes to proceeding with the refining of our resources.

I will try to restrain myself here because I get very agitated when I talk about this subject. In Ontario, there used to be a section 113 of the Mining Act; it has now been revised and is section 104. It states that ores in Ontario must be refined in Canada. This government, though, has been giving the mining industry exemptions to that section.

The last time I counted there were 26 exemptions to section 104 of the Mining Act. Falconbridge, which has been mining ore in the Sudbury basin for over 50 years, has just been granted an exemption—well not just, almost two years ago—from January 1, 1980, to Decem-

ber 31, 1989. That exemption authorizes Falconbridge to ship 100 million pounds of nickel and copper matte each year to its Norwegian refinery; 100 million pounds every year despite section 104 of the Mining Act.

What a ridiculous policy for this government to have that section in there. They do not have the courage to take it out because it is a sham; they know they would be laughed at all around the world. So they leave that section in there and make exemptions of 100 million pounds a year to Falconbridge. It is absolutely ridiculous. Then you wonder why we in northern Ontario get angry at you

It is absolutely ridiculous. It is costing us jobs. We know that. Obviously if we built a refinery here we would create jobs here. We would add new wealth here. We would aid our balance of payments here. All sorts of benefits would spin off to those of us in Ontario.

8:50 p.m.

We said Inco's exemption to export its precious metals should be rescinded. We said we should build that precious metals refinery here and get on with the business of diversifying the Sudbury basin. I mentioned the mini-steel mill, which would create 700 jobs. What is the objection of the ministry to that?

Another area that is near and dear to our hearts is the whole question of resources machinery. We are the world's third largest producer of minerals and the world's number one importer of mining machinery. How does that fit on you? How do you like being the number three producer of minerals and the number one importer of mining machinery? Does that not make you feel like an underdeveloped hick: to be a custodian of our resources and allow that to happen? I do not know how you can do it year after year after year. And you just turn a blind eye to the problems in communities such as Sudbury.

In 1981 alone we imported \$750 million dollars worth of mining equipment. That has increased over 200 per cent in six years. It is not as if it is getting better or that you are doing anything about it. On the contrary you are aiding and abetting an increase in imports, which is costing us jobs.

We know the deficit—that was the value of imports—is about \$600 million. That is more than 7,000 jobs. Even if we replaced half those imports that is 3,500 jobs. The criteria of three jobs to one is always used by economists. It is not used by the Minister of Industry and Trade (Mr. Walker); he uses any number from nine to

15 when he is talking about opening a new plant with nine or 10 jobs. He says the spinoff benefit has a multiplier effect of nine, 10, 15 to one. We do not dare use that. If we ever used it when it came to layoffs we would have a minus population in northern Ontario.

I am going to read to this minister some of the opportunities there are for development of mining equipment in this province, with a relative lowering of prices. This comes from a federal study. Open-pit mining equipment rotary blast hold rails; front wheel hold rails; off-highway trucks, 120 tons and over. Underground mining equipment for hard rock: automated roof boltings; scaling machines; hydraulic drilling equipment; continuous loaders and haulers; safety equipment. It goes on and on; the opportunities are unbelievable.

I wish the member for Nipissing (Mr. Harris) was here in the chair. It is not because this chairperson is not doing a fine job but because the chairman of this committee made an ass of himself when he stated—

Mr. J. A. Reed: That is unparliamentary language.

The Acting Chairman: Mr. Laughren, I wonder if I could ask you to withdraw that remark as being unparliamentary.

Mr. Laughren: No. You can ask me but I do not want to withdraw it. The chairman of this committee—

The Acting Chairman: Mr. Laughren I would ask you to please reconsider your decision with respect to that terminology. Surely there is another phrase you can use to get your point across.

Mr. G. I. Miller: Throw him out.

Mr. Laughren: I dare you to.

Interjection.

Mr. Laughren: Why don't you move a motion.

The Acting Chairman: Gentlemen please, may I have some order. The chair is requesting Mr. Laughren to reconsider his decision with respect to that remark.

Mr. Laughren: No, I mean in a political sense. Why don't you move a motion.

Mr. Williams: Show us your class.

The Acting Chairman: May I ask the members of the committee to permit the chair to direct a request to Mr. Laughren to please reconsider.

Mr. Laughren: All right, I will reconsider. I will withdraw that remark.

The Acting Chairman: Thank you, Mr. Laughren.

Mr. Laughren: You be the judge. There are those kinds of deficit figures on mining equipment, yet when we attempted to have mining equipment built in Sudbury, given our economic problems there, the chairman of this committee, the member for Nipissing, objected to it. He thought it might be unfair competition for the mining industry in North Bay as there would be public funds involved.

The federal minister, Jean-Jacques Blais—I forget what his title is now—objected too. Can you imagine? He spoke as if there was not enough for everybody to produce mining equipment without stepping on one another's toes, given the amount of deficit there is. Then this chairman, from northern Ontario, sets up this phoney dispute between Sudbury and North Bay—as though there was not enough for everybody.

There were two things happening in mining machinery. One was the resources machinery development centre, totally funded by the province—\$15 million or \$20 million; 15 or 20 jobs in the Sudbury area—I will talk about that in a minute. The other was a private sector development—by the mining industry—and that was to have some funds provided by the province. The province was prepared to go into it alone with the private sector. The federal Minister of Mines, Mrs. Erola, said: "I want a piece of the action too. I want to be able to have part of this." After that the flak started coming from North Bay.

That was more than a year ago. To this day nothing has been provided because of cheap political interference by both the Tories provincially and the Liberals federally—and we are paying a price for it in Sudbury. That says something about both the provincial and federal governments and their attitude towards development in northern Ontario.

The members of the committee may not like them but those are the facts. You can check with the chairman and I am sure he will agree that is exactly the way things have unfolded.

I mentioned the resources machinery development centre, which is being built in Sudbury totally by provincial government funds. The latest information we have is that it is going to be 10,000 square feet. It is going to employ no scientists and is going to manufacture no machinery. Is that what we need in the Sudbury basin and in northern Ontario to reduce that deficit on mining equipment? That is not what we

need. We are tired of your shell games. We are tired of your public relations announcements. We have seen where they get us, and it is time we had some concrete action on the part of this government.

The other point which I think should still be done relates to an integrated nickel complex. I will go on to new initiatives later but this has to do with pollution abatement initiatives. Right now, Inco has been ordered to get down to 1,950 tons a day of SO₂. A study has been undertaken to recommend where we go from here on the new control order. Also, a federal-provincial task force is going to report shortly on how much it costs to reduce Inco's SO₂ emissions.

We know the costs are substantial. For example, the federal Department of the Environment estimates that an 80 per cent reduction in Inco's SO₂ emissions would require an investment of about \$450 million. That is a lot of money. There are people who would say that when Inco is staggering under its huge debt load and its losses and its shutdown it is not the proper time to demand pollution abatement.

I am opposed to that argument. One of the reasons I am opposed is that much of the money that Inco would spend on pollution abatement would not even be its own money. This comes from the former Department of Energy, Mines and Resources. It estimated that if Inco was to spend \$600 million for capital expenditures on pollution control requirements over a six-year period the corporation would realize a minimum of 55 per cent of its expenditures as tax savings. So only 45 per cent of the expenditures would actually come from Inco itself, and if you are talking about \$450 million being the cost of an 80 per cent reduction, that would mean Inco shareholders would pay for about \$270 million of that.

9 p.m.

We think it is time to put that kind of program into effect. I would even support a program whereby the provincial government said to Inco, "We will lend you the money, but we will receive repayment of interest and capital as years go by."

Mr. J. A. Reed: Now would be a good time to do that.

Mr. Laughren: Yes, it would as a matter of fact. It would be a good time to do it when the company is shut down. But by the time this government gets around to it, Inco will be operating again. That is the incredible speed at which they operate.

The other point, and this is where the member for Cochrane North (Mr. Piché) deserves to be taken to task, is the whole question of a fertilizer plant. We feel there are very rich phosphate deposits in Cargill township up near Kapuskasing, and if they could be combined with the sulphur dioxide from the stacks at Inco we could produce fertilizer which we now import.

Mr. J. A. Reed: My former leader brought that up three years ago.

Mr. Laughren: We were talking about that 10 years ago. The member is quite right, that was brought up. We wouldn't argue if the government said it was going to do this. We wouldn't even argue if you wanted to do it at Kapuskasing rather than Sudbury. Look what you would be doing: you would be creating fertilizer, you would be reducing SO₂ emissions and you would be reducing imports. You would be doing a very good thing. But oh no, that is called intervention in the marketplace. I want to tell you, Madam Chairperson, it is unacceptable to us.

Those are the points I would make on the integrated nickel complex. I would like this minister, in his role as Provincial Secretary for Resources Development, to comment on each of those issues. If there is no time tonight, I would like to have a written response. I think they all make sense. They have all been recommended by government reports and there are new opportunities which we think we should get into, such as energy conservation, food production and processing, health care import replacement and institutional import replacement.

I wanted to save some time this evening for my colleague from Lake Nipigon, but I wish there was more time to go into those other areas of new opportunities for development in Sudbury because we have to turn it around. The performance of the government so far is plainly and simply abysmal because you prefer to let the private sector do its thing with no direction, let alone intervention, on the part of the government. You are reaping the benefits of that now and the victims are the working people of the Sudbury basin. You are not the victims. I understand that.

Hon. Mr. Henderson: Madam Chairman, could I get a couple of clarifications from Mr. Laughren before it gets too late?

The Acting Chairman: Mr. Minister, as I understood the committee's agreement, we were going to hear some comments from Mr. Stokes

and I would then ask the committee's indulgence as to whether we would proceed into answers and clarification at this point or whether we would be dealing with the Niagara Escarpment. I understood that Mr. Stokes was going to be commenting in a critic's capacity on native affairs.

Hon. Mr. Henderson: I would hope to have five minutes. I would like Mr. Laughren to clarify a couple of statements he made.

The Acting Chairman: I appreciate that, Mr. Minister, but I think it would appropriate for Mr. Stokes to proceed and then we might deal with those matters in combination.

Mr. Laughren: As long as the minister would also answer some of my questions. I am not here just to clarify his.

Mr. Stokes: Madam Chairperson, I know the time is limited and I won't have near as much time to say all of the things that I think need to be said about native rights and the delivery of programs to native people, who number about 70,000 status Indians and about 185,000 nonstatus and Metis. I think we would all be remiss if we didn't give some time to talking about the delivery of programs.

I know it is the Provincial Secretary for Resources Development who chairs the committee dealing with the concerns of native people and I just want to ask rhetorically whether the minister and people who work within the secretariat feel this is an appropriate place for this government to be carrying out its native affairs mandate. I have had a good deal of conversation with people within the various ministries, and when one considers the way in which the responsibility for the delivery of programs has been battered around from one ministry to the other, certainly over the last 15 or so years that I have been down here, it hasn't found a comfortable home yet.

When I look at the inability or the unwillingness of either the federal or the provincial government to at least come to grips with some of the land claims that have been outstanding for many many years, when I look at the protracted negotiations that have been going on under the auspices of this secretariat, although I suppose not directly engaged in by this secretariat, for reserve status for totally Indian communities like Webequie, Landsdowne and Summer Beaver, and going back over the last two or three years, it is really disheartening to find that the fly in the ointment is the provincial government, which won't alienate provincial crown lands to

the federal government on behalf of our first citizens except that it be done under market value assessment.

Away up on the shores of the Albany, the Attawapiskat and the Winisk rivers, this government is demanding market value for that land, hundreds of miles from nowhere; and the native people have just walked away in disgust, simply because no ministry or agency of this government really cares a hoot in hell whether or not our first citizens have a reserve they can call their own. They are squatters on what you people term to be crown land. They are our first citizens and you people couldn't care less.

In 1924, an edict was brought in by this government saying that before native people could exploit mineral values on land that is held in trust for them they must pay a royalty to the provincial Treasury. I know of one instance where we had the blessing and the support of the mineral branch of the economic development section of the Department of Indian Affairs and Northern Development when we turned heaven and earth to try to convince a series of provincial Treasurers that they should waive that on behalf of the Fort Hope band up on the Albany River, in the same way as they have done in so many instances down here in southern Ontario, so that they could attract legitimate mining concerns in there to exploit those mineral values.

I had the support of the Minister of Northern Affairs Mr. Bernier and the support of the former Minister of Natural Resources, Mr. Brunelle, but not the support of this secretariat, the Treasurer (Mr. F. S. Miller) or the cabinet.

Look at the way the native community branch has been pushed around from pillar to post over the years. You really have to look at the twice annual government telephone directory to find out where it is at any given time. It is the one emanation of this government that works first hand in the delivery of the piddling little amount it has in its budget to satisfy the social, economic and cultural aspirations of our first citizens. The budget is a munificent sum of less than \$3 million.

9:10 p.m.

I want to quote from a document that is very hard to come by. I had to photostat it. It is from the library and they would lend it to me only for the day, not even overnight. It is entitled the Native Community Branch Study, Final Report, prepared by DPA Consulting Ltd. of Toronto for the Ministry of Citizenship and Culture.

I do not have much time, but I want to quote

something in this for the purpose of bringing it to the minister's attention and to those within his secretariat who are responsible for this very important role that is the responsibility of this government.

"Some of the present problems apparent in the native community branch have their roots directly or indirectly in the branch's relatively long and sometimes stormy history. The NCB has experienced several shifts in ministry with resulting problems of loss of momentum and focus. It has experienced considerable internal turmoil which can be explained to a degree in terms of the kind of relatively dedicated, community-oriented people attracted to this kind of organization. At one point some years ago, the entire staff resigned en masse." One of them is now a member of the assembly.

"During the period up until 1977, the branch had increasingly alienated several elements of the government." That is this government. "It was seen by some, rightly or wrongly, as anti-establishment and as working contrary to the objectives of other ministries. It was also viewed by some as being loosely run and haphazard administratively.

"A number of officials interviewed for this study believe that if the branch had not changed to a degree, it would probably have been eliminated by now. There is a general perception that since that time the branch has become more of a good corporate citizen and has been brought into line.

"The new director appointed at that time took a number of steps to establish more controls and generally to make the branch generally more acceptable within the government. In addition, the branch has moved quite enthusiastically to implement the management-by-results approach to programs and project management." With a sum of \$3 million.

"The branch has also moved away from the more personal style of decision-making which reportedly characterized the pre-1977 period. As a result of these moves, the branch has achieved more credibility within the government and has, in the view of the study team, acquired some room to manoeuvre.

"All of this had a positive impact, as noted, on the branch's image within government, but it has not been without costs. While the branch generally is viewed positively overall among the client group, native representatives can be quite critical of the degree of red tape, the slowness of reaction time and the perceived general decline in helpfulness. The branch is sometimes per-

ceived as being generally more directed towards keeping the system happy than towards helping the community.

"Similarly, field staff morale is not high and there is a general feeling, largely incorrect, that the field operation has been downgraded and that the field positions were being sacrificed to build up headquarters. Field staff generally share the view of some clients that the branch has become too bureaucratic and government-oriented and has lost some of its community orientation.

"Without fully accepting the criticism as valid, the study team does believe there is room for improvement in a number of areas. There are changes of degree, by and large, not direction.

"The recommendations also reflect the study team's view that it is incumbent upon staff and the client group, as well as management, to make changes in their approach. A decentralized organization operating without rigid guidelines in a difficult policy is bound to be difficult to keep on track. All participants in the process have their part to play."

This little branch is the front line of the delivery of programs on behalf of this government, with a budget of \$3 million to satisfy well in excess of 230,000 of our first citizens in Ontario.

I want to make one final comment. It is with regard to the Royal Commission on the Northern Environment that was set up many years ago to deal with that last 19,000 square miles of boreal forest in northwestern Ontario in the Patricia district that was not under licence to one of our major pulp and paper companies. You know the furor that created. In order to get itself off the hook, the government created the commission on the northern environment, headed by none other than Mr. Justice Patrick Hartt, who quit in frustration after a year. He is now in the employ of a branch of this secretariat.

This inquiry was mandated to bring in recommendations that would assist this government in undertaking economic development projects in the area of Ontario north of the 50th parallel that would look at the social, cultural, economic and environmental impact of resource development in that part of the province.

About \$7 million later, spent on the most expensive royal commission ever mandated by this government, we have the commissioner handing out well over \$200,000 just within the last few weeks to any group which is interested in coming before the commission to make

recommendations as to how they see development taking place north of the 50th parallel.

It seems to me that although this secretariat is not directly responsible—the Ministry of the Environment had the funds to bankroll that operation; I think it has now been turned over to the Attorney General (Mr. McMurtry)—a secretariat such as this is responsible for the overall economic development throughout the entire province, and is particularly responsible for the delivery of government programs and for setting up policies that would be amenable to our first citizens north of the 50th parallel.

I want to know, what do the people in this secretariat talk about in connection with native rights, with the delivery of programs, and with how we can bring our first citizens into the mainstream of the cultural, economic and social life in Ontario?

I would have liked to have spent a lot more time fleshing out these things and would like to have had the time to be a lot more positive and to offer alternatives. The clock is against me. I will leave my remarks at that and I hope to pursue the topics on another occasion.

The Acting Chairman: Members of the committee, we now have the choice of going into some questioning and discussion on some of the matters that have been raised, and we could probably do so for a few minutes before we get into discussion with the chairman of the Niagara Escarpment Commission. But I would seek the committee's direction, given the informal consensus.

Mr. J. A. Reed: What are we looking at in terms of time, Mr. Minister?

Hon. Mr. Henderson: Our time is really over about 10:05 p.m., but we do not mind the clock too much.

Mr. J. A. Reed: I am thinking about your response to Mr. Stokes and Mr. Laughren.

Hon. Mr. Henderson: It will be less than four minutes and I really think I have to respond.

The Acting Chairman: Mr. Kolyn has indicated he would like to ask some questions.

Mr. Kolyn: I would just like to make a comment and I will just take a few minutes if the committee would agree.

9:20 p.m.

The Acting Chairman: Is the committee agreeable? Shall we continue for about 10 minutes or so and then give consideration to the Niagara Escarpment? Agreed.

Hon. Mr. Henderson: Madam Chairman, I have listened to the two members of the New Democratic Party and I would suggest that, had they been here for the past two sessions, we have answered practically all of their questions.

Mr. Kolyn: On a point of order, Madam Chairman: What I have to say I would like to say to the minister before he makes his statements, if you would allow it.

Hon. Mr. Henderson: Okay.

The Acting Chairman: Is the committee agreeable? Thank you.

Mr. Kolyn: Madam Chairman, at the beginning of his remarks the member for Nickel Belt (Mr. Laughren) stated that he believed the minister was not qualified to negotiate with the Indian peoples in regard to native rights. I fully recognize that the minister does not have a PhD, but I also recognize that the minister's farming background and common sense would be a great asset at a negotiating table. I certainly do not want Hansard to record that I agree with the member's assessments of the minister's capabilities.

Mr. Laughren: I don't want you to, either.

Mr. Kolyn: That is fine, but my children might read it. I have confidence in the minister's wealth of experience. I know he has a difficult task with the native rights, and I certainly look forward to some fruitful negotiations.

Hon. Mr. Henderson: Madam Chairman, I would like to thank the member for Lakeshore for those remarks. Regarding the remarks by the member for Nickel Belt, I recognize where they come from and I let it go at that.

Mr. Laughren: I expected that response. If you cannot answer, you just bluster.

Hon. Mr. Henderson: Well, any of us can run this committee with a lot of insults. This committee has been travelling at a pretty high level. Yet when you come on tonight, you start some of your insults—the first time in five hours.

The Acting Chairman: Order, please.

Mr. Laughren: On a point of privilege, Madam Chairman: I would like the minister to clarify what he means by insults. What I said was that I thought this minister should not be responsible for native rights in view of the statements he made last Thursday night in this committee, and I quoted from Hansard. Now tell me where the insult is.

Hon. Mr. Henderson: There is a native person in the room, and I am pretty proud he is here.

Mr. Laughren: Fine.

Hon. Mr. Henderson: He knows what I said, and I think he is pretty proud of what I said about him.

Mr. Laughren: You are not answering my question about the insults.

Hon. Mr. Henderson: My statement stands. The other members of this committee have carried on a pretty high-level debate and tried to help the people of Ontario, but not you.

Mr. Laughren: You always bluster when you do not have an answer.

Hon. Mr. Henderson: Madam Chairman, in responding to the honourable members respecting the Niagara Escarpment Commission, in September 1981 the nine public-at-large members of the commission were reappointed for a further term. Five members were reappointed for a two-year term and four members for a one-year term. Those four members have now been appointed for a further one-year term.

Mr. Gary Harron, a longtime public-at-large member of the commission, has accepted an appointment to the Ontario Municipal Board effective December 1, 1982, and will be replaced on the commission.

Since the other eight members of the commission are members or employees of the county or regional municipalities in the Niagara Escarpment planning area, new appointments to the commission will not be made until after civic elections, when the new councils assume their responsibilities.

If you look at the Niagara Escarpment Commission, there are nine members at large appointed by the government and eight members appointed by the area municipalities. The government of this province has always appointed people who are fully qualified and capable, and that is the case on the present commission. I am proud of every member on that commission. They have filled an important role and are doing an exceptionally good job.

With respect to the releasing of the report from the hearing officers, I understand arrangements have been made for the printing of the report, and it is my understanding that it will be made public at the appropriate time.

There were also comments about the Minister of Natural Resources and the wetlands policies. The report that was referred to—

Mr. Laughren: I am sorry. On a point of order, Madam Chairman: Was the minister

going to talk about wetlands, or was he going to talk about the Niagara Escarpment being a planning document for the strategic land use plan process?

Hon. Mr. Henderson: No. I am referring to the wetlands. I felt I would leave the Niagara Escarpment until these people—

Mr. Laughren: But there were three questions I asked, two of which you have already answered. The third one was your views on the statement by the minister that the Niagara Escarpment Planning and Development Act was simply a planning document when it came to the SLUP process.

Hon. Mr. Henderson: In what process?

Mr. Laughren: The strategic land use planning process of the Ministry of Natural Resources. Right? I do not want to put words in the mouth of the Minister of Natural Resources, but he stated that when the land use plan was developed for that area he would not necessarily conform to the Niagara Escarpment plan; that he just regarded it as another planning document.

I am wondering how you can live with that, since it is a statute.

Hon. Mr. Henderson: The Niagara statute, as you know, was taken through the House in 1973, I believe. I do not have the correct date here before me.

Mr. Laughren: Yes, that is the year.

Hon. Mr. Henderson: But, as you say, it is a statute and it will be treated as such at the appropriate time once we get all the hearing officers—

Mr. Laughren: I hope you have talked to the Minister of Natural Resources, because he stated it would be regarded just as a planning document and they will do their thing with the land use planning process.

I am quite serious in saying that. I am not trying to set up a division between you and the minister. He is on public record as saying that he regards the Niagara Escarpment development plan as simply a planning document and that he will do his own thing on the strategic land use. I believe the member for Halton-Burlington (Mr. J. A. Reed) was at that public meeting.

Hon. Mr. Henderson: Madam Chairman, I cannot speak for the Minister of Natural Resources and I have no intention—

Mr. Laughren: Well, he is speaking for you.

Hon. Mr. Henderson: With all due respect, I will speak for myself when I feel I need to.

I want to quote from a document, Multiple Use Resource Management, which the Minister of Natural Resources released in the middle of October. I believe the member referred to part of it. I quote from page 17 respecting the wetland policies:

"I am especially concerned about the wetlands and the benefits they provide to people of Ontario. They help reduce flooding and improve water quality. They provide a breeding ground for waterfowl and endangered wildlife. They even contribute economic benefits such as timber products.

"We have lost about 85 per cent of our wetlands in Ontario and are continuing to lose them at the rate of one to two per cent each year. This cannot continue without creating serious problems for future generations of Canadians. Consequently, I am taking action to bring a more comprehensive decision-making process into wetland management.

"A year ago September, we released a public discussion paper concerning wetlands and their management. We received more than 500 replies to that paper. My staff reviewed each letter and prepared a summary of their contents, which we expect to release soon. Meanwhile, we have begun to prepare a comprehensive wetland policy for Ontario that will help us bring the values of the wetlands into the municipal planning process as well as our own."

If I might just comment off the cuff, I have other documents here that I could read, but I do not want to take the time. I do not have the member's remarks written down but, as I remember them, he suggested that the New Democratic Party would make all municipal drains liable to the Environmental Protection Act. I believe I heard him correctly saying this would be the position.

Mr. Laughren: The Environmental Assessment Act.

Hon. Mr. Henderson: The Environmental Assessment Act. I believe I correctly heard the member say that. I want the record straight, and I want to repeat it again. The position of the New Democratic Party in Ontario is to make all municipal drains liable to the Environmental Assessment Act. You have no argument? That is your position?

Mr. Laughren: I find it passing strange that—

Hon. Mr. Henderson: Well, I just want—

Mr. Laughren: No. I gave you a chance. Suddenly you have the right not to have any policies at all, while we have to have policies for

everything. You have no policy on wetlands whatsoever and you know it. If you do, tell us what they are.

The Acting Chairman: Just a moment, Mr. Laughren.

Mr. Laughren: No. He is playing his own silly game.

The Acting Chairman: The minister is replying, and there are only a few minutes left.

Mr. Laughren: He is also misleading the committee.

Hon. Mr. Henderson: Madam Chairman, I am not misleading the committee. I will put my documents on the record. The government of Ontario, with, I think, the support of the Liberal Party members who are here—they are all farm people—has no intention of making the Environmental Assessment Act applicable to municipal drainage; no way, at any time.

9:30 p.m.

Mr. Williams: On a point of order, Madam Chairman: I ask that you have the member for Nickel Belt withdraw that unparliamentary comment about the minister misleading the committee.

The Acting Chairman: Mr. Williams having drawn to my attention—

Mr. Laughren: I will withdraw the word "deliberately."

Hon. Mr. Henderson: Having said that, it is our government's position that the Environmental Assessment Act will not apply to municipal drainage. I want that on the record. You may use that wherever you wish.

I believe I have responded to all the items that were not responded to in the previous two sittings of this committee. I have the New Democrat members here. I know they were both busy in their ridings in the north, but they know that we had to come on earlier than planned with our estimates. If there is something I have not responded to—

Mr. Stokes: That is not a fact. With great respect, Madam Chairman, he never mentioned the native community branch in any previous sitting. He never mentioned the 1924 agreement. He never mentioned the inability of this secretariat to get its act together with regard to giving reserve status to the three communities I mentioned.

I ask that the minister either provide the

proof that he answered those questions or withdraw the implication that he made.

Hon. Mr. Henderson: I—

Mr. Stokes: This is a two-way street.

Hon. Mr. Henderson: The members here will remember that I did respond to the 1924 agreement the other night. I made it quite clear that it applied to the Chippewa of Sarnia Indian Reserve in the county of Lambton and that they had a million dollars—

Mr. Stokes: I am talking about the implications of the 1924 agreement as it pertains to mineral exploration on the Fort Hope Indian Reserve.

Hon. Mr. Henderson: I have not responded to that. That is something of a local issue.

Mr. Stokes: I am glad to have the record clear on that.

Mr. Laughren: On a point of order, Madam Chairman: I should also say that the minister did not respond at all to the proposals I put to him this evening on diversification of the Sudbury basin, of the building of an integrated nickel complex and of new industrial opportunities in the Sudbury basin. The minister chose to feel somehow that he was insulted by my making those proposals. He did not respond at all to those suggestions.

Hon. Mr. Henderson: I could have read a lot of stuff into the record. The Minister of Industry and Trade has appointed 20 members to an advisory committee to oversee the planning of Ontario's resource machinery technology centre.

Mr. Laughren: That is not what I asked you.

Hon. Mr. Henderson: The committee will act until a permanent board of directors is appointed. I could go on listing those things.

Mr. Laughren: How many of those are from Sudbury?

Hon. Mr. Henderson: I happen to note Don Bisson, controller, Levesque Lumber Ltd., Hearst—

Mr. Laughren: Yes. From Sudbury, I say.

Hon. Mr. Henderson: Maurice Hebert, president—

Mr. Laughren: Yes. From Sudbury?

Hon. Mr. Henderson: I have not read into it.

Mr. Laughren: No.

Hon. Mr. Henderson: I see North Bay; I see—

Mr. Laughren: Yes, I am sure you see North Bay.

Mr. McGuigan: On a point of order, Madam Chairman: I believe we have an all-party agreement to change the subject at 9:30 p.m. We have arrived at that time. We have the secretary here and the manager of the—

The Acting Chairman: We have. Indeed, we are a couple of minutes over. I was going to suggest that if there were further points that had been raised as questions from committee members to the minister, to which the minister feels he would wish to elaborate or reply beyond the oral discussion, perhaps the minister should feel free to do so if he wishes.

Hon. Mr. Henderson: What the member has said is just a rehash of what he has been saying here and what he has said for the last how many years?

Mr. Laughren: On a point of order, Madam Chairman: I am really offended by the minister's cavalier attitude towards the problems—

Hon. Mr. Henderson: You started that attitude with your opening remarks tonight, so we just carried through.

Mr. Laughren: When I laid out the proposals for the Sudbury basin, there was nothing insulting in them. It was simply a serious proposal, and I asked you very specifically to respond to each of the individual proposals. I think I have the obligation and right to make that demand of you.

If you choose not to carry out your responsibilities in that way, I guess that is your decision. But let the record show that you were asked some very specific questions, and not only did you refuse to answer the specific questions but you also dismissed them as if they were nonsense you had heard before.

Hon. Mr. Henderson: I will look at them and see whether there is any substance in any of the questions. If there is, I will answer them.

The Acting Chairman: Thank you very much. I take it from the committee that my suggestion is agreeable—

Hon. Mr. Henderson: You started it in the House today, and tonight.

The Acting Chairman: Order, please.

Hon. Mr. Henderson: You were out of town last week. You were not here taking care of these matters. That is what started it.

The Acting Chairman: Order, please.

Mr. Laughren: We do not need your kind of order, Madam Chairman.

The Acting Chairman: Mr. Laughren, may I have order, please?

Mr. Laughren: Yes.

The Acting Chairman: If there is any further consideration that the minister may give to some of the points in reviewing the text, I take it if he chooses to elaborate further—

Mr. Laughren: If he chooses, yes.

The Acting Chairman: I take it that the past practice of the committee is that if there is further elaboration in writing, you would wish to have it filed with the secretary and distributed to all members of the committee. That would be the normal practice—

Mr. Laughren: We look forward to his comprehensive response.

The Acting Chairman: In view of the hour, it would be appropriate, pursuant to the committee's agreement, to move to a discussion on matters respecting the Niagara Escarpment Commission.

Mr. McGuigan: I have one small point, Madam Chairman; it will just take a second. Our party was mentioned with regard to the Environmental Assessment Act and the Drainage Act. I just want to say that our party does not agree with the Environmental Assessment Act being applied to drainage schemes, unless perhaps it were really a major scheme that took in a very large territory. In the ordinary course of events we would not want that.

The Acting Chairman: If we could turn to consideration of matters dealing with the Niagara Escarpment Commission, I understand Mr. Ivor McMullin, the chairman of the commission, is with us this evening. Mr. McMullin, would you join us? If there are other officials you wish to bring forward, please feel free to do so. Simply ensure that they are introduced to the committee and for Hansard purposes.

Mr. J. A. Reed: Madam Chairman, I am delighted that we finally got to this point tonight. My questioning will be very brief and I hope to cover a few salient points because I know there are other members who are anxious to discuss the matter of the Niagara Escarpment.

At the outset I should like to point out a continuing familiarity with the stresses and so on that have accompanied the application of this legislation, which was passed in the Legislature in 1973. It should go on the record that the Niagara Escarpment plan as it is being presented now is the third final official plan that has been presented to the people.

It is particularly important to my own riding, since the Niagara Escarpment runs kitty-corner from the southwest corner to the northeast corner, bisecting Halton region. In it are contained resources that are important, not only to the residents of Halton but to all of the people of Ontario.

Prior to getting to the specific points, I wish the record to show that the experience we have undergone through the metamorphosis of the Niagara Escarpment plan should be a lesson to this government that can be applied to the strategic land use plan that is now being formulated.

Mr. Stokes: He has already answered that.

Mr. J. A. Reed: All right, but I think it should be a lesson to point out in the strongest possible terms that it is not appropriate to simply draft a strategic land use plan and apply it within a few months, after it has been in the works for so many years, without appropriate consultation with interested people.

So far, you have had some public input, you had open houses on the strategic land use plan and you had a cutoff date of August 31. At my urging in a meeting with the Minister of Natural Resources on that date, he agreed to receive input beyond August 31, and I trust that both the Resources Development Secretariat and the ministry are still receiving and accepting input.

I asked the minister to delay any sort of cutoff date until certain legislation was in place, specifically the new Aggregates Act. How can we approve or look at any kind of strategic land use plan in Ontario, particularly as it applies to southern Ontario, without having the new Aggregates Act and the accompanying policies in place? I am sure that applies to other areas as well.

9:40 p.m.

As a result of this cart-before-the-horse process that has been undertaken to this point, I have asked the Minister of Natural Resources to convene a conference of interested parties; that is those people who take their position as preservationists in Ontario and so on, environmentalists and naturalists, and those people who are development-oriented in the province.

These people could sit down and address this strategic land use plan, not only from their point of view but also from the point of view of finding all the terms of common position, the commonality that exists among all people of Ontario whom we wish, above all else, to be good stewards of our land.

That has not taken place to this point. There has been no such conference. Unfortunately, what we are moving towards is a process of confrontation that will not be resolved until all those interested parties meet and confer, first to find their common ground, and second to stake out their differences and resolve them.

There is precedent for this. One precedent I pointed out to the minister in my letter to him was the New York State Energy Research and Development Authority conference in New York state in 1977 on the subject of water power development. Environmentalists and developers sat down together and in four days worked out a program that was satisfactory to all parties in the northeastern United States. That program has served as the common launching ground for the development of the remaining hydraulic resources in the northeastern United States. I suggest that the process that took place there, instead of causing confrontation, developed a commonality of purpose and an understanding of each other's point of view.

I had to put that on the record, because I believe the next step in the strategic land use plan is not simply to introduce it and let the devil take the hindmost, but to sit the interested parties down and confer, find out where they are together, where they are apart, where they can compromise and where we can come to a broad-based understanding on this most critical and important issue in the province.

I used as my base the difficulties the Niagara Escarpment Commission had faced in its development. It has gone through three metamorphoses and, if it had not been for the patience and diplomacy of people like the late Gerry Coffin and the man you see here today, the chairman of the Niagara Escarpment Commission, it might well have evaporated in the smoke of grass-roots opposition. Instead, it was shepherded along, it was recognized that the initial final plan was wrong right from its inception to its application, and it was withdrawn and redrawn and presented again. The objections were then taken and it was redrafted.

Now we are at a point where there is not only a common acceptance of the Niagara Escarpment Commission as it exists but also a common understanding by those people who live on the escarpment and those people who are most directly affected. If there ever was a pattern for moving into this strategic land use planning, that experience has to provide the basis for it. I could not make that suggestion any more strongly.

To get to the specifics about the Niagara

Escarpment Commission, I only have a couple of questions. First, I want to ask Mr. McMullin whether he is familiar with the 10-point aggregate policy of the Ministry of Natural Resources.

Mr. McMullin: Yes, I am, Mr. Chairman. I do not have a copy of it here, but I have read it several times.

Mr. J. A. Reed: When that policy was being formulated, did you, as chairman, or the Niagara Escarpment Commission have any influencing comment to make on its adoption?

Mr. McMullin: I think probably it was in existence before we saw it; then it was sent out to us and we commented on it at that time.

Mr. J. A. Reed: Therefore, it was a fact prior to your ability to comment on it.

Mr. McMullin: I believe that is true, yes.

Mr. J. A. Reed: I believe it is true as well. I think the record should show that the 10-point aggregate policy, which is not approved by the cabinet of Ontario at present, is the policy being used to force municipalities to freeze land, a lot of which is on the Niagara Escarpment.

This policy is being used to freeze land forever and to give aggregates priority over any other kind of use. Yet the commission itself did not have commentary on the formation of that policy; nor, am I led to understand, did even the Ministry of Agriculture and Food. How disastrous can such a policy be?

In that light and understanding that, I also ask the minister to withdraw that policy, because we are expecting a new bill and a new policy right away.

Hon. Mr. Henderson: Mr. Chairman, the Minister of Natural Resources does have a policy he will be releasing. The Minister of Agriculture and Food (Mr. Timbrell) has had dialogue with him. The food land guideline will certainly be looked at, and it will be released in a few weeks.

Mr. J. A. Reed: Mr. Chairman, I appreciate that and understand it. I only wish to point out that the region of Caledon and the region of Durham have already frozen land under this old nonapproved policy and now this government, through the Ministry of Natural Resources and its mineral aggregates division, is trying to force Halton to freeze 16,000 acres of land as part of an aggregate resource area, some of it good agricultural land, some of it not, some potential industrial land, some of it not, etc. That is precisely why I asked the minister to withdraw that policy: first of all, because it was not

cabinet-approved, and second, because a new one was in the offing, as the minister has confirmed, which I appreciate.

Hon. Mr. Henderson: As it gets further, I have it in my jurisdiction. But there is dialogue between the ministers.

Mr. J. A. Reed: If it is now in his jurisdiction, will the minister take steps to withdraw the old policy and to put a hiatus on this land freezing until the new policy is in place? I think that makes some sense, because we are now dealing with a situation where, if we put these amendments into the official plans, we are going to bring in a new aggregate policy that is going to have a very profound influence on the future of aggregates in Ontario. This cart-before-the-horse treatment is not in the interests of the people of Ontario, the aggregates industry, the agricultural industry or anything else.

Hon. Mr. Henderson: I am sure the member recognizes that I personally carried the original report back some seven or eight years ago to the municipalities in Ontario.

Mr. J. A. Reed: Then I admonish the minister to have that old 10-point policy withdrawn and to put a stop to this pressure on the municipalities until a new policy is in place.

I want to ask Mr. McMullin one other question. In terms of the government's move to freeze this land, much of which is on the escarpment, especially in Halton, what steps has he taken in response to this move by the government, and what kind of position is the Niagara Escarpment Commission taking in regard to this move? How is the escarpment commission responding to this potential disaster that is taking place in Halton?

9:50 p.m.

Mr. McMullin: Mr. Chairman, we wrote a letter of concern to the Ministry of Natural Resources. I think part of the letter is saying it all here. Mr. Riley, who is the director of land use co-ordination branch, says in paragraph 1: "When the NEC plan is formally adopted by cabinet, MNR will, like all other government agencies, be bound to follow directions therein provided"; that is, the legislation that precedes this strategy plan.

We had concerns about that, and I think this clears it up as far as the commission is concerned. We will comment if it is in the Niagara Escarpment plan, but I do not think the commission should be commenting on or having a concern over the policies MNR is taking out to the municipalities and asking them to be put in

their official plans. If they are in our plan, yes, but they have assured us here—at least it sounds pretty good to me—that when it is adopted by cabinet, MNR, like all other government agencies, will be bound to follow the direction therein provided.

I think the minister has answered our concerns. As to the concerns of the municipalities, I know Caledon very well and I think the cabinet recently lifted the schedule K from the gravel lands in Caledon. I guess it now remains for Caledon to rewrite its official plan. How close they are to that I have no idea.

Mr. J. A. Reed: Are you saying then, in your understanding of the legislation—and I would say only in your understanding; I think we all tend to become confused—that the Niagara Escarpment plan will predominate over all other plans?

Mr. McMullin: That is what they are telling us here.

Mr. J. A. Reed: Can anybody confirm that the Niagara Escarpment plan when it is finalized will take precedence over the new Aggregates Act or will take precedence over Halton's potential amendment to its official plan?

Mr. McMullin: That is the understanding I have.

Mr. J. A. Reed: Can anybody answer that?

Hon. Mr. Henderson: I have not been involved at that level.

Mr. J. A. Reed: Mr. McMullin's understanding is that it will. I think it is rather important here, because in that case it means the push that is being put on by the mineral division in Natural Resources may be a redundant exercise.

Mr. McMullin: I can only quote section 13 of the Niagara Escarpment Planning and Development Act: "Notwithstanding any other general or special act, when the Niagara Escarpment plan is in effect, (a) no municipality or local board having jurisdiction in the Niagara Escarpment planning area, or in any other part thereof, and no ministry, shall undertake any improvement of a structural nature or any other undertaking within the area; and (b) no municipality having jurisdiction in such area shall pass a bylaw for any purpose, that is in conflict with the Niagara Escarpment plan."

Mr. J. A. Reed: Therefore we are faced with a strategic play here on the part of the ministry.

Mr. McMullin: The planning being done by the ministry as legislation is a strategic land use plan, and at one time, I believe three years ago,

we said to the ministry, "You should be having some land use planning of your own."

Mr. J. A. Reed: I do not think any of us disagrees with the need for land use planning. That is not the point. The point I am trying to get at, and I think we are getting close to it, is that if the municipality freezes the 16,000 acres prior to the finalization of the Niagara Escarpment plan, that phasing will be grandfathered in and anything you do will be redundant. Is that correct? You cannot back up what has already taken place.

Mr. McMullin: We had that concern but, after writing to the minister and having a discussion on September 9, we received this letter on October 15, saying when it is adopted, similar to the act—

Mr. J. A. Reed: What it says to me is a real cause for concern. It displays very clearly what the tactic has been. We have to get this amendment, number 6 or whatever it is called, in place very fast before the Niagara Escarpment Commission finalizes the official plan, because its official plan will take precedence, except of course over what has already come to pass. If the good Lord has visited a flood upon the earth, all the legislation will not prevent it. That is my understanding of the way the chess game is being played out in Halton.

It reinforces a suspicion we have carried with us that their anxiety to get this 16,000 acres frozen is simply a method of beating the Niagara Escarpment Commission to the punch. It concerns me very deeply, because it is all being done on the basis of a nonapproved aggregate policy.

Hon. Mr. Henderson: Mr. Chairman, I wonder if the director of the escarpment commission, as well as Mr. McMullin, could give us his thoughts about this.

Mr. Vrancart: My name is Ron Vrancart, and I am the director of the Niagara Escarpment Commission. I may be of some assistance in clarifying this for Mr. Reed.

It is very clear in the legislation that once the Niagara Escarpment plan has been approved, all local official plans and zoning bylaws have to be brought into conformity with the Niagara Escarpment plan. What that means, essentially, is that nothing will be grandfathered in that predates the approval of the Niagara Escarpment plan.

In effect, at the time the plan is approved it will be the minister's responsibility to inform every municipality of conflicts that exist between

the Niagara Escarpment plan and the local official plans, and then will be necessary for the municipalities to resolve those conflicts to the satisfaction of the minister.

Mr. J. A. Reed: That is quite reassuring, except then we go back to your official plan. Will you be accepting the 16,000 acres of so-called aggregate protection?

Mr. Vrancart: No. At the time the Niagara Escarpment Commission was formed, one of the directives that was given to it by the government was to provide advice to the government on how to handle what used to be known and is still known as the pits and quarries restrictive zone.

The proposed plan for the Niagara Escarpment sets out a policy in that regard and states that the escarpment natural area and escarpment protection area designations within the plan will form the pits and quarries restrictive zone. Those two designations cover roughly half the area of the Niagara Escarpment plan.

Mr. J. A. Reed: Do they cover all of the proposed amendments to the—

Mr. Vrancart: Of the 16,000 acres in Halton, as I understand it, most of that is outside the area of the Niagara Escarpment plan.

Mr. J. A. Reed: Being outside then, you will not have any control?

Mr. McMullin: We will not have any control. We have enough problems without getting into the other ones. But there is a concern in Niagara, Dufferin county, Peel county and Halton with the present maps that are showing possible aggregate. There is concern, I agree. We have heard many of these concerns at our meetings.

We did not use the ministry's first maps, because we did not think they were well enough done. They came back with a second set of maps which have had much more study put into them and which are probably more accurate than the first set they put out.

A great deal of the lands in Caledon that they are showing as possible aggregate are outside of our plan. That is also the case in Mono. There is great concern in Mono township about it, because they are showing a great deal. There is a lot of excellent gravel in Mono township, and it has been a hot issue up there for many years.

Mr. J. A. Reed: We are not opposed to aggregate extraction per se. What we want is a fair share of distribution around the province so

that one municipality does not have to carry the whole load.

10 p.m.

Mr. McMullin: If I may point out, our policies on aggregate in the plan were very well accepted by the aggregate producers except in a few cases—one or two in Halton and one in Niagara. In the rest of the area the aggregate producers came in and looked at it and did not even make comments at the hearings.

I was rather pleased with the input we had from the aggregate producers. We had them on the committee before we produced the plan. We had aggregate producers sitting on a committee and talking to us. They were not completely satisfied by any means. They wanted it all but, on what we wrote, they have so far been pretty good to deal with.

As I say, there are a couple of places in Halton that were not satisfied with it. There is also one in Niagara you are probably familiar with, but that was as close as we could come to them.

I have no idea what the hearing officers will say as a result of the hearings. They tell me their report is still to be finished by January 31. Then we will all get a look at what they are saying about it.

Mr. Andrewes: Mr. McMullin, the minister's statement touched on the formation of the Niagara Escarpment Commission, resulting from the Niagara Escarpment Planning and Development Act, which was proclaimed in 1973. It sets out two basic goals. One is to develop the proposed plan which you have alluded to. We understand that plan has undergone several purifications, if you like, in the intervening years. We eventually hope to have that official plan in place by the fall of 1983. Is that about the schedule you are looking at?

Mr. McMullin: That is correct.

Mr. Andrewes: The second area of the two tasks set out for the commission was the administration of a system of development controls. I am looking again at the minister's statement. It is suggested that there are four objectives the commission should endeavour to achieve under the mandate of the act, the fourth one being supporting municipalities in the exercise of their planning function.

Can you clarify for me whether you see some conflict between that objective and the legislative mandate of the commission in bringing forward its official plan?

Mr. McMullin: Yes, there was some conflict, especially in the beginning. It took a lot of time

to explain it to all 44 municipal councils, I believe it was, that we met with in four counties, four regions.

At this point, we have come as close as we could to agreeing with their type of planning and their views on preserving the escarpment to the point that during the hearings I was very pleased all the regions and counties, except one or two townships, came into the hearings saying they were basically in favour of the plan, some with minor changes. I think some of the minor changes could be made.

In the day-to-day operation of the commission, where we usually deal with about 30 applications for development every second week—the commission meets once every two weeks—we usually try to consider the previous zoning bylaw in that municipality. We ask the local council for its comments on development before we approve or disapprove of it. Usually we do as they suggest.

There have been occasions when the commission read their comments and did not use them, but basically we have had good agreement with them on planning. Sometimes there are differences, and down in your area I know there are differences of opinion on some councils as to how the escarpment should be treated in the future.

I do not know whether I should name the municipalities, but Grimsby is one that is not in favour of some of the policies we have. The rest of them there are pretty good. We are now going back to them with the report of the hearing officer to hear further comments after January 31.

It was a matter of talking to them. Each municipality sees the preservation of the escarpment in a different way or in a different light. My opinion was that it was a provincial resource and there had to be a provincial plan.

If one had put it to the municipalities, one would have had 44 different plans or different degrees of preservation of the resource. I think that probably could not have worked.

I think sitting down and talking with those councils and their staff over the years is what accomplished it, is how we got as far as we have. I think that can still be the case. It should still be that way when the plan is adopted; there still has to be discussion with the locally elected people.

We have worked with them on their official plans. We have now said to them, "All the lands outside of our plan should be turned back to the jurisdiction of the municipalities." I think the minister in his speech the other day said he had

signed one for the Niagara region, and I believe one for Mono township is pending.

The commission has written to the Minister of Municipal Affairs and Housing (Mr. Bennett), asking him to release all the lands outside the plan that are still under development control. But most of those municipalities have, in turn, said to the minister and to us, "Do not do it yet. not until we have our zoning bylaws brought into shape." Some of them have been slow in doing that. It is almost a year since we asked them to consider this, and I think some of them have not yet gone far in zoning.

Hon. Mr. Henderson: I can help the chairman of the commission. I signed quite a number last Thursday. I had signed some the week before when I spoke here, but since I spoke to the committee I have signed quite a number.

Mr. McMullin: I know there are a whole lot of them working on it. Some of them did not want it changed yet.

Hon. Mr. Henderson: Yes.

Mr. McMullin: We are co-operating as well as we can, Mr. Andrewes, to bring provincial planning as close as we can to municipal planning and still preserve the resource.

Mr. Andrewes: Would you say there is an intent to parallel the spirit of the local zoning?

Mr. McMullin: Yes. We have tried to do that as best we can. I think the point to get across was that it was a provincial resource. Planning at the municipal level is done for the good and welfare, as I believe the act outlines it, of the people of that municipality.

The difference in our planning was that we were trying to preserve a provincial resource and still trying to do it for the good and welfare of the people of the municipalities to which we travelled. There is a vast difference in municipalities in Niagara or Tobermory or Grey county. People have many different ways of living and of making a living.

Mr. Stokes: Like Ball's Falls.

Mr. McMullin: Yes; we have been there a good many times too, Jack.

Mr. Andrewes: There is another point in the minister's opening remarks where he says he is pleased to say that "last week I signed regulations to bring the boundaries of the development control into conformity with the proposed planned boundaries in the regional municipality of Niagara." What is the meaning of that statement?

Mr. McMullin: The original plan took in almost the Niagara Peninsula.

Mr. Andrewes: Even out into the lake.

Mr. McMullin: Yes, right out into the lake. I think you fellows gave us all the fruit land and all your problems down there.

Mr. Andrewes: Shoreline erosion and everything else.

Mr. McMullin: That is right. We had the whole bag.

After looking it all over and producing what we call a test plan type of thing and taking it to the councils, we heard very well what they thought of it then. We listened to them and came to the conclusion, in 1978 I think, that the planning area was much too large. We made that statement to the then provincial secretary, René Brunelle, and he agreed we would produce a plan for about 38 per cent of the original plan. We reduced it that much. In most cases we left in what was under the development control area, but in many cases we took out pieces that were under development control and have remained under development control up until now.

When the commission finalized its plan, it said: "Okay. Take all those lands out of development control. It can be done by regulation, by the minister." It's not an easy process, because they have to go over lot and concession, and they have to have agreement with the municipality that they have a zoning bylaw to replace the development control that we have been enacting.

10:10 p.m.

I am not sure how many there were, but we had letters from them all. There were five or six saying, "Don't take it off until the plan is finished," others indicating they might never want it taken off, and still others saying, "We want it off right away." I am not sure of the number, but I know there are quite a few that will be coming before the minister for his signature to have development control lifted.

Mr. Andrewes: Are the boundaries of the control area in Niagara now fixed?

Mr. McMullin: Yes, except that quite a good deal of it is under development control that is not in our plan. When that is lifted and they have proper zoning bylaws, it will be back under municipal jurisdiction.

The boundary of the planning area itself was set by legislation and cannot be changed except by an amendment to the legislation. So it will remain. That is the planning area. It is the

development control area that I am talking about. The commission will have no jurisdiction over those pieces that are being taken out. They are still in the planning area, though, and that will have to be dealt with by the government of Ontario when we bring the plan in.

Mr. Andrewes: There is another thing of interest that I read in the minister's opening statement. On the last page he suggested that "the people of Ontario and land owners along the escarpment itself have a substantial interest in this beautiful area." I could not agree more, particularly about the land owners.

The substantial interests of those land owners have been represented to me by a group known as the Property Owners' Rights Association, PORA. Most of these people own property in the control area. Their real concern is that they not become the benefactors for society's desire to preserve the Niagara Escarpment.

I know you have probably received the views of PORA, Mr. McMullin. Certainly they have been addressed to your hearing officers in the past six months to a year.

Mr. McMullin: Yes, they have.

Mr. Andrewes: I wonder whether you might comment basically on that concern, as they see it: the need to preserve the escarpment face but not to infringe on their rights as property owners in the area.

Mr. McMullin: I guess that has been the source of quite a few arguments over the entire life of the plan, whether we were doing them any harm financially. Certainly we are doing them no harm if they want to farm, because we have encouraged them to farm. We have tried to have policies that would allow farm help residential buildings. In fact, for farm buildings on 50 acres or more, they do not need a permit to build any kind of farm accessory buildings, although they do for residences. We have worked with the municipalities to try to adopt a policy that would fit their policies on farm help accommodation.

Our policies on land severances, I believe, are lenient. As to our policies on subdivisions on top of the escarpment: If they intended to subdivide the land into subdivisions, yes, we have restricted that; there is no doubt about that.

Mr. Andrewes: Perhaps I can give you a specific example of one particular concern.

Niagara region's official plan allows for the severance of buildings that are surplus to a farmer's normal requirements. If he is amalgamating two 40-acre farms, he may end up with

three or four dwellings, probably two of which would be absolutely surplus to his needs as a farmer. That is now officially part of the Niagara Escarpment Commission plan. But I think those are the sorts of paralleling zoning agreements that many of these property owners would be looking for.

Mr. McMullin: I cannot say they are entirely right on that. There have been several cases where land owners came to us who wished to sever off and sell the farm buildings that were no longer being used. But the severance of land is fully under the jurisdiction of the land severance committee, of the region of Niagara in your case, and we are a commenting agency. We have commented in opposition to some severances, and in some we have said we have no concern. In most cases where it would be a surplus farm building, I think the commission is in agreement.

We have not written it as a policy into the plan, I think mainly because it is very difficult to write a policy that covers both small fruit farms and large cattle farms in Grey and Bruce counties. But I think the commission itself has been sympathetic to most of that. Eight of the commission's members are or have been farmers and have a good knowledge of agriculture in its many phases. The gentleman from your area is a grape farmer and, I think, quite a good grape farmer. So we get advice from almost every phase of agriculture, from dairying to growing market gardens, tobacco and everything else, even to worm farming.

I do not think we have made them suffer as much as they indicated to the hearing officers. But that is something that has to be decided by other than us. The commission wrote a policy as best it could, and it may well make some changes in recommendations back to government when it has read the hearing officers' report.

Mr. Andrewes: With respect, I think you have been very fair, particularly in the past few years, in most of your decisions. I only draw to your attention the desire on the part of those people to see that they are going to be treated as fairly as their colleagues who are outside the Niagara Escarpment Commission area; that where there are policies enshrined in an official plan and their colleagues can exercise certain privileges under that official plan, they should be able to exercise similar privileges.

Mr. McMullin: That is true to a point. When I read the official plan where I live—I have a

small farm in Caledon—I see some areas of Caledon that they have set aside for subdivisions of small lots and some of large lots. I am in an area where you cannot get any subdivision of any kind. So there is a difference in municipal planning too on what they allow for certain areas.

I guess there are individuals who perhaps could show you where they might have had an indication from the council at some time that they could have subdivided their land and now they cannot. There are some of those, but not very many. In the past, I guess some of them had plans to subdivide land, but now they find they cannot possibly do it. I could point out to them that there are other reasons in many areas that are probably more severe than we have been.

Mr. Andrewes: Would there be any latitude in the legislation to allow the commission, in the formulation of its official plan, to sort of show some regional flexibility to conform with regional plans?

Mr. McMullin: I think there probably would be. I do not think there are many differences in our plan from the Niagara plan at this time. I would have to go back over it again because there have been a lot of changes to that plan.

10:20 p.m.

Mr. Andrewes: I was thinking of your comment that it is hard to put a plan together that applies to small fruit farms and that can be generalized to apply to mixed farming.

Mr. McMullin: Especially on severance policy. As we went through the Niagara region we did a survey of the number of vacant lots that were already severed down there. I think there were some 3,600 vacant lots already severed.

Mr. Andrewes: There is always another one, though.

Mr. McMullin: We had a tough time finding any fruit farms of any size, except I guess those of Howard Staff and a few others. There are some big ones, but many of them have been severed up now. The severances we are commenting on now are usually somebody wanting to take an acre off a 10-acre lot. I do not know how far you want to go with it.

I have been in this business about 20 years and I sympathize with a farmer wanting a severance for a son or daughter or for himself to retire. But I have seen so many of them—I think about 95 per cent of them get sold off to someone from the urban area and are not used for agriculture. I question if we are doing the right thing by severing them any further.

Mr. Andrewes: I share that concern about severances. It is difficult for me to understand why, when a line is drawn between the boundaries of the town of Lincoln and the escarpment commission's control area, all of a sudden different rules apply. That is the difficulty I have.

Mr. McMullin: That is true. We have had to try to explain that a good many times. In many areas it is more restricted than the lands adjacent to it. There is no doubt about that.

However, I do not think the commission could have gone very much further in a policy on developing the escarpment than it did and still have a plan that would come near accomplishing what the act says. It says you will only allow development that is compatible with the natural area. We have been criticized many times for allowing some development that may not be compatible with the natural area. I know a line is drawn and I am not sure how you would explain that in every case. I do not think you really can unless the legislation is changed.

Mr. Andrewes: Do you see yourselves as a body complementary to the role of the conservation authorities?

Mr. McMullin: We have had good co-operation with the conservation authorities. We have worked with them very closely. In lands where we refuse development, we have tried to convince both the Ministry of Natural Resources and the conservation authorities in many cases that they should buy it and we have been successful in a number of cases. With respect to finances, it is difficult to do.

The program we are in is very similar to a conservation program. It is conservation of high land rather than wetlands. I sat for nine years on the Metro conservation authority here. Many times I compare what we are doing to what we did back in 1956 and from then on after we set up the conservation authority. It has come a long way since we started and I think this can too. It will take time, a lot of discussion with people and some financing. As we all know, the financing is slower now and I guess the programs have to slow down, but then development slows down too.

Mr. Andrewes: It took off some of the pressure.

Mr. McMullin: Yes, it did. There is no doubt about that. Our development permits have dropped by about 50 per cent.

Mr. G. I. Miller: Could I ask a question here?

Mr. Chairman: I am a little bit over time here already and I have Mr. Laughren on the list.

Mr. Laughren: I wondered if you had followed this whole debate around strategic land use planning? Also I wondered whether or not you were aware of the statement of the Minister of Natural Resources that the Niagara Escarpment Planning and Development Act would be regarded as another planning document to be considered when SLUP was finalized? How do you view that whole SLUP process tying in with the Niagara Escarpment act?

Mr. McMullin: We are concerned about that as well and that is why we wrote to the minister. In fact they sent their strategy plans to us and this was the answer we got back. They said that when the NEC plan is formally adopted by cabinet, the Ministry of Natural Resources will, like all other government agencies, be bound to follow the direction therein provided. That was written by the director of the land use co-ordinating branch.

We have had concerns like this before and they usually get straightened out. I think it was probably a lack of communication between us and them when they were doing it. I do not think I could answer more fully than that.

Mr. Laughren: I am not a legal person. What would be the legal position if something like that occurred? Unless they wrote it right into a new statute, how could they supersede the existing act?

Mr. McMullin: A few minutes ago I read the section of the act that pertains. The only way I see it can be changed is for our act to be amended. We have recommended to the government about 15 amendments to the legislation. There were quite a few parts of the legislation the commission was not really pleased with.

Mr. Laughren: I am sure that was not one of them.

Mr. McMullin: No.

Mr. Laughren: I am serious, though. I was concerned about that statement because it could have enormous ramifications if it was carried through to its literal interpretation.

Mr. McMullin: I do not think it will be. I think that concern is probably being corrected.

Mr. G. I. Miller: Does the commission have a fund set aside to purchase land?

Mr. McMullin: No. We have no right to purchase land. We only make recommendations to the Ministry of Natural Resources or the conservation authority or any group we might find able to do it. Regarding one of the concerns

we have had in the Niagara Peninsula, we have suggested that Parks Canada might be involved in the Tobermory area islands. They came in there a year or so ago and bought all of the islands. Now they have proposed a federal park for parts of the top two townships of the county of Bruce, St. Edmunds and Lindsay townships.

I think there are signs of good co-operation from the federal parks department in looking at some of our planning. I think it is being negotiated with the Ministry of Natural Resources at this time. I have no idea what is being negotiated but our government owns a good deal of land up there and has established Cypress Lake park and Fathom Five park and I think that was considered to be part of the federal park. We asked anybody who has money to buy land up there and get interested. Our suggestion will be to set up a conservancy to deal with just that.

Hon. Mr. Henderson: I think you should define for the committee the area the government of Canada wants to purchase.

Mr. McMullin: They are suggesting that they buy nearly all of St. Edmunds township and I think about two thirds of Lindsay township. I do not have the documents here. I rather like the way they went at it. They said it would take 20 or 25 years to establish all this, that they would not expropriate any land and if anybody had a cottage there or a farm or whatever they would be left there to live in the park. I think they are going about it with a pretty sensible approach.

Hon. Mr. Henderson: I have heard only good words about it from the people up there. They seem very happy.

Mr. McMullin: I have seen the results of the vote they had and the number in favour of the park is quite a bit larger than those opposed. There were also a few undecided. Financially, I think it is a great deal for them if they take the opportunity to get into it. I think we will get a lot more federal money back into that part of Ontario than we have been getting in the past.

Vote 1801 agreed to.

Mr. Chairman: Thank you very much, Mr. McMullin and Mr. Vrancart, for being with us today. We appreciate you taking the time. This concludes the estimates of the Provincial Secretariat for Resources Development. Mr. Minister, we thank you for your time and information, and your staff for being with us.

Hon. Mr. Henderson: Thank you. I appreciate the committee members being here and the interest they show in the ministry. Thanks to all of you.

The committee adjourned at 10:31 p.m.

ERRATUM

No.	Page	Column	Line	Should read:
R-22	R-586	1	38	we were really flush. Obviously we have been saturated with electric power consumption in Ontario. If we look at the amount of electric power consumed per capita in Ontario, we find that in industry we are more highly electrified than any other jurisdiction in North America.

CONTENTS

Tuesday, November 2, 1982

Resources Development secretariat	R-637
Niagara Escarpment Commission	R-652
Adjournment	R-660
Erratum	R-661

SPEAKERS IN THIS ISSUE

- Andrewes, P. W. (Lincoln PC)
- Fish, S. A. Acting Chairman (St. George PC)
- Harris, M. D. (Nipissing PC)
- Henderson, Hon. L. C., Provincial Secretary for Resources Development (Lambton PC)
- Kolyn, A. (Lakeshore PC)
- Laughren, F. (Nickel Belt NDP)
- McGuigan, J. F. (Kent-Elgin L)
- Miller, G. I. (Haldimand-Norfolk L)
- Reed, J. A. (Halton-Burlington L)
- Stokes, J. E. (Lake Nipigon NDP)
- Williams, J. R. (Oriole PC)

From the Provincial Secretariat for Resources Development:

Thatcher, J., Deputy Provincial Secretary

From the Niagara Escarpment Commission:

McMullin, J. I., Chairman
Vrancart, R., Director



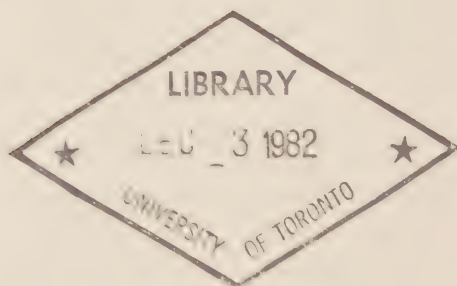
No. R-25

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Resources Development

Estimates, Ministry of Tourism and Recreation



Second Session, Thirty-Second Parliament

Wednesday, November 3, 1982

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

CONTENTS

Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff at (416) 965-2159.

Hansard subscription price is \$15.00 per session, from: Sessional Subscription Service, Information Services Branch, Ministry of Government Services, 5th Floor, 880 Bay Street, Toronto, M7A 1N8. Phone (416) 965-2238.

Published by the Legislature of the Province of Ontario.
Editor of Debates: Peter Brannan.

LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, November 3, 1982

The committee met at 10:11 a.m. in committee room 2.

ESTIMATES, MINISTRY OF TOURISM AND RECREATION

Mr. Chairman: I call the meeting to order. We are pleased to have you here, Mr. Minister. We understand you have a short statement at the start of your estimates.

First—and I am not sure whether it is at the suggestion of the chair, or that no one objects, or that everyone wants not to meet next Wednesday—I understand that the House leaders have talked about it. Is there any objection to this committee not meeting next Wednesday? Is that the way you want me to put it?

Mr. Eakins: The House will be closed on Thursday and Friday and there will be a number of members, I am sure, who will want to be able to get away on Wednesday in order to be home for Thursday. As far as I am concerned, I would agree to not meeting on Wednesday.

Mr. Stokes: Agreed.

Mr. Chairman: I just want to clarify that. I did not want to do it until we had the members here who are sitting on these estimates. That means, Mr. Minister, obviously you will be back for an extra week and I know you do not mind that.

Hon. Mr. Baetz: Not at all, Mr. Chairman.

Mr. Stokes: He always likes to talk about himself.

Mr. Chairman: Mr. Minister, do you have an opening statement you wish to make?

Hon. Mr. Baetz: Yes, I do. Mr. Chairman and members of the committee, I consider it a great honour to place before the Legislature the first set of estimates of the Ministry of Tourism and Recreation.

As you know, the ministry was first announced by the Premier (Mr. Davis) on February 13, 1982. It was formally constituted after a full and, I might say, helpful debate here in the Legislature. I sensed then that many members appreciated the wisdom of giving the tourism industry and the sports and recreation field a new and a higher profile.

Mr. Laughren: Mr. Chairman, on a point of

order: Before the minister gets really cranked up on his opening remarks, did all of the opening statements have nine opening cover pages? I wonder how it fits in with the general program of restraint in the public sector.

Hon. Mr. Baetz: Special treatment for you, I guess.

Mr. Laughren: I am not giving up this one.

Mr. Andrewes: It keeps the paper industry in northern Ontario viable.

Hon. Mr. Baetz: It is like an onion, layer after layer.

Mr. Laughren: It starts at page 43. I am a little confused. Do the first 42 pages talk about your tours and initiatives in the north?

Mr. Chairman: I think we are into a little wishful thinking now as well.

Hon. Mr. Baetz: I look forward to an equally positive debate as we now proceed through the ministry's first estimates. I know every member here shares the pride I have in our vibrant and beautiful province and in the rich and varied lifestyle of Ontario's residents. My ministry is actively concerned with promoting both of these important elements which in total reflect the opportunities for the good life we enjoy in this great province.

I know many of you followed the debate establishing the ministry quite closely, but let me take a few moments to refresh your memory on the mandate given to us under Bill 41. As you will recall, Bill 41 said we were to:

1. Promote tourism and recreation in Ontario to residents of Ontario and other jurisdictions.
2. Cause the ministry to stimulate employment and income opportunities through the effective development of tourism and recreation.
3. Encourage and support the use of parks, tourist facilities and attractions in Ontario.
4. Ensure that adequate opportunities are available to all residents of Ontario to pursue recreational, sports and fitness activities appropriate to their needs and interests.
5. Provide recreational, sports and fitness resources to municipalities and to provincial recreational and sports organizations.
6. Encourage and promote improvement in

the standards of accommodation facilities and services offered to the travelling and the vacationing public.

I hope during the course of these estimates to give you a good accounting of our progress so far in meeting these objectives.

We in the ministry have been involved in an intense period of organizing and defining our role. Staff from every level of both divisions have been meeting together on a host of subjects of common interest. The resulting dialogue has increased everyone's awareness of the opportunities and challenges we have before us as a ministry. The spirit of co-operation and willingness to take fresh looks at ways in which we can improve the delivery of our programs to the public prompts in me a great deal of optimism about the future.

At the same time, I should stress, the ongoing programs and activities of my ministry have not been neglected. I have nothing but praise for the staff of both divisions and for those in the agencies and attractions for the manner in which they have served their clients and advanced their programs during this very busy period.

From the outset, there was a renewed sense of vigour and purpose on behalf of ministry staff and the clients they served. This was inspired by the government's recognition of the importance of recreation and tourism through this new ministry. All rose immediately to the new challenges and I am happy to say our programs and services have continued without interruption.

I intend to outline for you some of that activity as a prelude to the more detailed look we will be taking during the course of our discussion of the estimates.

First, our sports program. I will deal with sports, fitness and recreation first, as some of our accomplishments in this area will be fresh in your minds as a result of the splendid performance of some of our athletes at the Commonwealth Games in Brisbane.

Let me briefly recount some of the achievements of Ontario's athletes at the Commonwealth Games. I think you will agree they are impressive.

I am proud to say that of the 260 athletes and officials on the Canadian team, 120, or 48 per cent, came from Ontario. In terms of performance, Ontario's athletes won 14 of the team's 26 gold medals, which is of course more than 50 per cent. Of the 52 medals overall—gold, silver and bronze—about 75 per cent were won by athletes from this province.

That is a record of which we can all be proud.

I know there are some who might say it is the natural fallout from our large population in comparison with that of the other Canadian provinces. Others might say it is because we have a sports-minded Premier whose interest never dampens despite the mixed performance of some of his favourite teams.

Mr. Sweeney: You can say that again.

Hon. Mr. Baetz: These are both factors, to be sure, but they are not the entire story. Ontario's growing importance at major events is really the result of many years of dedication and focused attention to sports programs in this province. We have deliberately and consciously set out to create a positive environment. It is an environment which allows for maximum participation for people of all ages and all levels of skill, while providing the framework for those with ability to excel.

The ministry's elite athlete assistance program has been operating since 1977. Since then, grants totalling \$2 million have assisted promising athletes with education, training and competition expenses. This support is vital to those aiming to perform at international competitions.

We should of course keep in mind that once the athletes become carded, A, B or C, for international competition, the federal government assumes the major responsibility for their development.

10:20 a.m.

In addition, you will remember, my ministry established a special training facility for sprinters at the Metropolitan Toronto Track and Field Centre at York University. This was a pilot project in co-operation with the federal government.

The lessons we learned in this project persuaded us that such centres would prove valuable for other disciplines. Therefore, we are planning to establish sports development centres at six other locations as follows: women's field hockey at the University of Toronto, soccer at McMaster, jumps at the University of Toronto, swimming at Laurentian, rowing at St. Catharines, sailing at Couchiching, and basketball at Guelph.

You will recall that master coach Charles Francis supervised the pilot project for the sprinters. Again, those of us who followed the Commonwealth Games will have noted that never in the history of a major international meet have Canadian sprinters done so well. All those sprinters are from Ontario, and I congratulate them all and, in particular, Coach Francis.

This is one of the best investments made in our high-performance athletes.

We are also well along in our coaching development program. So far we have committed \$550,000 to train 82 master coaches and apprentices in 14 sports. In addition, my ministry has provided sports governing bodies with funds to hire full-time coaches. Through the national coaching certification program we have trained 38,078 coaches to various levels of proficiency. These various programs will involve the expenditure of about \$1 million this year.

It is our belief that the combination of these three programs will contribute greatly to the development of world-class athletes. This means much in terms of the pride we have in our province, but more importantly it means our young men and women will have the opportunity of reaching their potential and they will be able to compete with confidence with the world's best. Our positive approach, I should point out, already means that approximately 45 per cent of the members of Canada's various national teams have come through the Ontario sport development system.

Other important stepping stones to world competition, of course, are the Jeux Canada Games and our own Ontario Games. The 1981 Jeux Canada Games in Thunder Bay were an unqualified success. The Ontario team won the games, which in itself is a source of pride. Equally important, however, the city of Thunder Bay ran an extremely competent show and made full use of the cultural and other opportunities the games provided.

We also trained 400 officials and more than 5,000 volunteers at the games, thereby creating a resource for future sport development in northwestern Ontario. We also left behind a sports complex which includes spectacular world-class diving and aquatic facilities which will be invaluable for training provincial aquatic athletes in the future, as well as providing the residents of Thunder Bay with a great new swimming facility.

Aside from these direct benefits to amateur sport, the staging of the games in Thunder Bay had an important economic impact on that city. A report prepared by the federal Department of Fitness and Amateur Sport estimated that spending by tourists, athletes and officials injected about \$3.8 million into the city's economy. Figures like that should make everyone doubly assured about the value of sports in a restraint conscious world. Not only are we making our communities vital and adding greatly to the

physical and the character development of our young people, but the pursuit of this good work does have economic impact as well, from the tourism related activity of major sporting events to the manufacturers of shoelaces for your favourite jogging shoes.

Plans are now well under way for Ontario's participation in the 1983 Jeux Canada Winter Games in the Saguenay-Lac-St. Jean region of Quebec. My ministry has provided \$300,000 in grants to 18 sports governing bodies to prepare their teams for those games.

As a further step to preparing our young athletes, I informed the House recently that we intend to bring these young athletes and their trainers and coaches together in late December for a special motivational training program at Centennial Park in Etobicoke. This training event, which will involve more than 500 persons, is a first in the history of Ontario team preparation. We see this as an opportunity for the athletes to gain experience as well as to come to know their fellow team members, and we expect they will move on to Quebec as a highly motivated and cohesive team which will perform well for our province.

The December event will also serve as an initial step towards reinstituting the Ontario Games. As you will recall, the Ontario Games were suspended for re-evaluation two years ago. After careful study and consultation, we have now decided to reinstitute the games because we believe they provide important competitive opportunities for young athletes who want to test their skills.

As part of this process, we will also hold Ontario Summer Games in August 1983 for those sports committed to the concept of using the games as provincial championships for one age class. I was pleased to inform the House earlier that this event will take place in the great northern city of Sudbury, and we will be awarding a \$400,000 grant to the city to stage the games. This means the games will involve no direct cost to Sudbury. Rather that city, which is experiencing difficult times, should receive a direct economic benefit from the games much the same as Thunder Bay enjoyed. We expect 1,500 athletes will be going to Sudbury.

Sport plays an important part in the lives of young people developing levels of fitness and self-esteem as well as encouraging team play, discipline and social responsibility. In the same way, it plays an equally important part in the lives of our disabled young people. The advance of athletic programs for the disabled is a modern

day miracle that has taught all of us something about the value of sports and the capacity of the individual to meet and to conquer challenges.

Personally, I derive great satisfaction from the role my ministry plays in this area. In the 1981-82 fiscal year, we staged four regional and one provincial games for the disabled and this year our plans call for a repeat of these events with well over 300 disabled athletes participating. We were happy to assist these games with a \$200,000 grant.

These are the particular initiatives of our sports and fitness branch. We are also deeply involved in programs designed to assist amateur sports governing bodies which have the responsibility of organizing the competitions and setting the rules and regulations for their sports. As well, ministry officials consulted with more than 70 provincial sports associations to help develop new programs, set organizational goals and generally assist them in the management and operation of their organizations.

Our assistance in this area was well over \$4 million last year and was directed to such areas as support of salaried management and technical personnel, leadership development and planning activities. More than two million registered participants in amateur sports are involved in these sports programs.

We also helped organize an important and successful training institute for sports administrators which was designed to provide them with tools they could use to develop their sports. As many of you are aware, the Ontario Sports Administrative Centre has modern new quarters at 1220 Sheppard Avenue East in North York. My ministry provided the \$2.5 million grant to make this possible and in addition provided, on a one-time basis, \$500,000 to cover the cost of moving and renovating. This centre will provide space for support staff and services to resident staff serving some 50 associations in more than 20 nonresident groups. It should add greatly to the efficiency of sports governing bodies which play such a vital role in the Ontario sports scene. I hope to open the building officially very soon.

We have also actively supported the development of regional sports councils in northeastern and northwestern Ontario and are also working on similar ones for other areas of the province.

10:30 a.m.

We are proud of our record in amateur sports in this province. We have programs in place that I feel are second to none. Yet we are also aware

that there is still much to be done. Therefore, I have established a task force to develop an overall sports policy for Ontario. I am pleased to say members of this task force held their first meeting recently. The task force includes representatives from the volunteer sector and professionals involved in amateur sport.

Another committee representing a cross-section of amateur sports in the private sector has also met to study a proposal for a special sports incentive fund. There is always a need for extra financial assistance in many amateur sports. This incentive fund would see a block of money set aside to be used for new programs where sports governing bodies are able to obtain matching private sector dollars. This idea is still very much in its early stages.

Another idea under study is a program to give a higher profile to the Athlete of the Year program. The proposal involves the payment of grants-in-aid to honour the Athlete of the Year and those who were nominated for that award. The grants would be assigned to the appropriate sports governing body in the name of the winner and the nominees. The grants would be used to aid promising beginners in their sports. For instance, there could be a \$5,000 grant honouring the winning athlete and grants of \$2,500 each honouring the other nominees. This suggestion is being explored by members of the selection committee that now decides the awards. I will keep you informed of their progress.

I would now like to discuss our fitness programs and maybe, Mr. Chairman, you would want to have five minutes of physical exercise here before I get into that, but since I know you will not, I will carry on.

Mr. Sweeney: Is the minister going to lead it?

Hon. Mr. Baetz: No, I was going to watch and see how the rest of you perform.

Mr. Sweeney: You lead the way and we will follow. I do not think you can go very far and we would not have to follow for very long.

Hon. Mr. Baetz: Is that why you are challenging? Maybe at the end of this exercise.

Ms. Fish: Exercise, exercise.

Mr. Chairman: We are all being stimulated by the content of your opening remarks and we are going to want to get into some questions enthusiastically.

Hon. Mr. Baetz: Good. I will carry on.

My ministry also recognizes that not everyone plays in organized sports. Yet it is commonly agreed that everyone can benefit from participation in physical activities. In the four

years since the initiation of the fitness program of my ministry, there have been tremendous increases in the physical activity levels of Ontarians.

Since 1978, the number of Ontario adults who are regularly active has increased by more than 450,000. In addition, people today are active at a higher level of intensity than in past years. These trends have been particularly significant among women, so that today at least as many women as men are regularly active in physical sports and activities. Furthermore, there has been a greater rate of increase in frequency of participation among older adults than for younger people.

There is a great deal of work still to be done. In spite of the improvements I have just mentioned, 44 per cent of Ontario adults remain inactive. We must continue to reduce that figure. I would like to think the work of our fitness program in the ministry has a great deal to do with motivating Ontarians of all ages to get active and to stay active. Among some of the activities initiated by this unit are a quarterly newsletter to some 2,500 clients. In addition, we produce public service fitness messages for the broadcast and print media and advise some 60 communities of fitness programs.

We also undertook to assist a major fitness drive in London and established a community fitness resource centre in the Lake Huron zone and other projects to boost fitness resources in northern Ontario.

More and more employers are beginning to recognize the individual and corporate benefits of improved fitness and 15 per cent of businesses in Ontario now offer fitness programs to their employees. It is our belief that a firm which encourages its members to stay fit, alert and healthy will not only save money but also position itself more favourably in a highly competitive market. It is to this end that my ministry has assisted more than 500 companies in developing physical activity and lifestyle programs for their employees.

Our unique employee fitness manual has been used extensively by the corporate sector to provide encouragement, support and good planning strategies in the development of employee fitness programs. Employees, unions and associations are encouraged to utilize available resources to help the people of Ontario towards a healthier, happier lifestyle.

An employees' fitness research project conducted at Canada Life Assurance revealed a 20 per cent reduction in absenteeism of high

adherents—three times per week—to the fitness programs. Their personnel department estimated an annual saving of \$200,000 if all employees had the same absentee rate.

This year the ministry has trained 500 people in basic leadership skills through 16 Fitness Ontario leadership workshops. We have also upgraded the skills of 600 fitness professionals through 12 workshops and fitness testing, counselling and marketing. We have also devised a model for certification of fitness testers in co-operation with the Canadian Association of Sports Sciences.

Our popular FitFive awards program has been distributed to 125 community agencies and businesses. We are widening that distribution even further and currently have more than 40,000 people involved in this program. As well, we have published research reports on how to motivate people to increase physical activity. These reports have been well received by our community clients.

In co-operation with other ministries, we are also constructing three 18-station fitness Trillium Trails, one at the University of Guelph, another at a Highway 401 rest area near Kitchener and one in the Toronto Beaches area.

The fitness section is now preparing a campaign for a new thrust in the fitness program. Our studies have shown there is an increased awareness of fitness and that many persons are motivated to undertake a fitness program. Keeping them at it for the long-term benefits they can derive is the current challenge. Accordingly, the ministry is working on new approaches to FitFive and shaping its promotion efforts towards encouraging people to maintain their fitness programs. We are hopeful about the success of the new outreach.

We will also begin a significant initiative in this fiscal year to upgrade the fitness levels of our youth population. People feel better, work better and are healthier as a result of participation in some form of fitness program. Ever more numbers of people are subscribing to this belief and are undertaking activities that add greatly to their own lifestyle and the quality of life in this province. It is good for the individual; it is also good for society. It is estimated that, if all the adult population of Ontario was of average fitness levels, we would save \$31 million in sickness claims.

I would like to move on to recreation programs. So much for the body, now a little for the mind and soul. As many of you are aware, we set a higher priority for recreation last year in the

old Ministry of Culture and Recreation because of the increasing importance of the diversity of recreation services required to meet the needs of the rapidly changing society.

As a result, recreation was established as a branch separate from sports and fitness to provide a focus for this important provincial service. The mandate of the new branch is to work with municipalities and local, regional and provincial organizations to ensure all Ontario residents have access to opportunities of their choice.

This new branch is geared to provide an enabling function and seeks to encourage the provision of recreation services throughout the province in some of the following ways.

It develops resource materials and programs of leadership training to assist municipal recreation departments, recreation organizations and agencies in the continuing development of full-time, part-time professional and volunteer leaders.

With respect to the increasing population of older adults, it develops resources and uses available research to assist with the development of programs to prepare them for their changing role in retirement and the satisfying use of their newfound free time.

10:40 a.m.

In the area of physical planning for recreation in our communities, it assesses and comments on municipal official plans with respect to open space requirements and provides assistance with designs that may enhance the utilization of the open space.

It assists municipalities, organizations and groups in the development of outdoor recreation programs.

In respect to special populations, it assists in the development of appropriate recreation programs for the disabled that will encourage a gradual program of integration into regular recreation activities in our communities.

It also assists with ongoing professional development opportunities for recreation workers to keep them up to date so they can respond to changes that are taking place and make their programs relevant to today's recreation needs.

In the area of youth, it develops resources and assists provincial youth-serving agencies in the development of leadership and recreation programs for young people.

It assists our provincial recreation organizations to become more administratively sound, more effective and to develop a more compre-

hensive broadening of their services throughout the province.

It considers the municipalities as their major client, develops resources and provides advisory services to them in the development of community programs of recreation relevant to the needs of their citizens.

It provides support and advisory services for the development of camping and outdoor education programs throughout the province.

These are a few of the services this new and important branch in my ministry provides, and I am sure members will recognize that the varied nature of recreation predicates that there are many additional services it can and will provide with the resources available to it.

Impetus to this new focus in this ministry was given through a major provincial conference on recreation attended by 700 delegates from the public, private and volunteer sectors. This conference focused on the value of recreation and the need to tailor services to community needs.

As a result of the findings of this conference, my ministry is developing policy positions for the delivery of recreation services. These policy initiatives will undergo extensive public discussion before their finalization. The provincial ministers of sports and recreation from across Canada have agreed that the provinces, rather than the federal government, have the primary responsibility for recreation services.

As members can see, we are looking forward to the maturation of this branch as it works towards meeting the objectives of its new and important mandate. However, for the purpose of this discussion I should briefly tell members about what they have done rather than continue to dwell on what they are going to do.

They have provided financial planning and consultative support to 19 provincial recreation associations. It has also funded 35 recreation development programs in such areas as opportunities for older adults, preretirement planning, recreation leadership in rural areas and play leadership training.

The branch also enabled 20,000 children to participate in 125 nonprofit youth camps by helping with advice and financial support.

The Ontario camp leadership centre at Bark Lake, which is operated directly by the branch, is an important part of the camping program in Ontario. The centre developed the leadership skills of 2,550 students, adults and leaders. There were 650 in the centre's specialized outdoor education programs.

The centre also assisted 64 camps through an

outreach program, more than double the previous year's total. As a result, the camping programs throughout this province were able to provide well-trained leaders in their individual programs.

I know we are some distance from the International Year of Disabled Persons, but I feel I should report on the splendid efforts of this branch. We awarded a special grant to the Ontario Federation for the Physically Disabled for a province-wide education campaign.

The Kids on the Block puppeteer's show was the highlight of this campaign, and I am happy to say that 99,600 people attended performances of this delightful production throughout the province.

In addition, the branch produced a number of information kits and co-ordinated 16 public forums throughout the province to enhance the public awareness required to encourage active involvement of the disabled in the recreational life of our communities.

The branch also introduced a new consulting service on leadership development as a result of a thorough assessment of recreation leadership needs. It has also funded a program to certify municipal recreation professionals; 177 certificates in various categories were issued last year.

As well, the branch assisted 15 research projects on recreation and leisure, including studies of camping and outdoor recreation, current trends and ministry resources and services.

In addition, a major resource how-to manual on needs assessment was prepared. This resource is intended to assist municipalities, agencies, groups and organizations to determine what programs to offer, what groups to serve, what new services to offer and how to better serve those they are intended to serve.

Add to these activities the fact that the branch held 2,500 consultations with provincial, regional and local organizations and one can appreciate that this is a very busy and forward-looking branch indeed. I think the active and involved residents of Ontario's communities reflect the positive outreach of this branch.

This activity also reflects the need for a new emphasis on recreation in its truest sense as our society copes with enforced idleness caused by the increasing use of automation. We face a lot of adjustments in the long term, even after the current recession ends. People are going to be faced with more leisure time, and government is going to have to provide the initiative for programs that will turn this time to the benefit of the individual as well as of society.

As Dr. John Farnia, head of the department of social services at Sir Wilfred Laurier University, says, "Leisure is not time to be filled but an opportunity to be fulfilled." That is the challenge we face as opportunities for fulfilment on the job diminish. We must provide other ways for individuals to fulfil themselves.

The Ontario Lottery Corp., as members are aware, reports through my new ministry. I think the Ontario Lottery Corp. has served the people of Ontario efficiently and well. It has brought order and confidence to a field that, if not properly administered, can be subject to many abuses detrimental to both the individual and the public good.

The Ontario Lottery Corp. has an enviable record for its cost-effective management, the integrity of its games and its respect for some of the social implications inherent in man's age-old desire to gamble. In the seven years since OLC was established, it has distributed \$1.1 billion in prize money and generated \$700 million for cultural, recreational and sports programs for the people and for important medical research. Each year, OLC has required only about seven per cent of its revenues for operating costs, and that is good business management.

I would like to report briefly on a significant new development in OLC's operations this year. This was the introduction of a new game, 6/49, under the auspices of the Interprovincial Lottery Corp. This game is proving popular with players across the country and, because of its dynamics, it results in quite large jackpot prizes. I had the pleasure a few weeks ago of presenting a cheque for \$2.2 million to Don and Georgina Morgan of Guelph. This was the largest lottery payoff ever made in Canada.

Mr. Laughren: It is nice to have one growth industry, isn't it?

Hon. Mr. Baetz: I guess so.

The Ontario Lottery Corp. now operates five lotteries: Wintario and Lottario, which are uniquely Ontario lotteries, and the Provincial and the Super Loto, which, along with the 6/49 game, are operated in every province in Canada for the Interprovincial Lottery Corp.

The 6/49 lottery will also produce additional funds for the Ontario government to use in ways that are of benefit to the people of Ontario.

Lottery funds last year were used in my ministry to meet 3,900 noncapital sports, fitness and recreation Wintario requests, with a dollar value of \$6,922,893 processed through head office and the community programs offices.

Applicants ranged from provincial sport-

governing bodies to local community groups and provided opportunities for invitation and championship travel, purchase of equipment, resource materials, seminars, clinics and hosting of events. Of course, I am referring only to the noncapital and not the capital program.

10:50 a.m.

To my mind, the most notable event in the lottery field this year was the decision of the Ontario government to establish the Ontario Trillium Foundation as a way to provide assistance to province-wide social service agencies.

The Ontario Trillium Foundation represents a new approach to funding charitable groups. At the same time, it resolves the problem of proliferating province-wide lotteries. The foundation eventually will receive up to \$15 million a year from the province on the basis of a formula which gives it an annual share of the profits of the Ontario Lottery Corp.

I would like to share with members some of the background leading to the establishment of the foundation. The government had become concerned about the increasing requests for licences to operate province-wide lottery games. We decided not to issue more licences until we had a chance to evaluate the situation.

On the one hand, there was the obvious need of the agencies for more money and their justified assumption that they should be able to obtain licences if others were able to do so. On the other hand, there were obvious dangers to these groups and the public if too many lotteries were permitted.

The Ontario Lottery Corp. came into existence because there were too many lotteries fighting for survival. They faced increasing administration and promotion costs, which meant that the organizations looking to them as a major source of funds frequently got little by way of benefit from their operations.

As I said at the time I announced the foundation, there may be room to debate the morality of lotteries, with persuasive points of view on each side, but there can be no debate on the government's premise that the larger part of the money generated by lotteries should go towards serving the public.

We discussed these concerns with representatives of the charitable groups. Out of those discussions we reached the decision to take the innovative approach represented by the Ontario Trillium Foundation.

Through the foundation, nongovernmental charitable social service agencies incorporated in Ontario and operating province-wide in the

social services field will be eligible to apply for government lottery money. They can be assured their application will be treated equitably.

The grants will be made for agency programs that contribute a direct service to the people. These funds will not be available for basic medical research or cultural and recreational programs, which are funded through other lottery programs.

Initially the foundation will receive \$5 million to cover the balance of this fiscal year, which ends March 31, 1983. They will receive \$10 million for the 1983-84 fiscal year and, in the 1984-85 fiscal year, 10 per cent of the 1984 profits of the Ontario Lottery Corp. or \$15 million, whichever is the lesser. This formula will apply until March 31, 1987, when the agreement is scheduled for review.

The new board of directors of the foundation is currently hard at work establishing detailed grant criteria for the disbursement of this money. The directors will be developing the criteria within a framework which reflects long-standing policies of the Ontario government in relation to the uses of lottery funds.

We have been concerned about lottery money becoming the main source of income for organizations. The foundation grants, like other lottery grants, will be considered supplementary to the regular income of the organizations seeking support. We also see them as time-limited, task-oriented grants. We also see the grants being used to help finance the evaluation of the work of agencies and in programs designed to improve the management of the agencies.

We also expect the grant criteria to include a requirement for some form of matching funds from the private sector or other nongovernmental source for a program to become eligible for a grant. This is one way to ensure that charitable groups retain the energy and compassion that only volunteers can bring.

I do not think we can ever stress too much the role of the volunteer. Government can never replace the great good that is done in a democratic society by individuals who assume a responsibility for fund-raising and other activities designed to make their neighbourhoods, their communities and their province caring and responsive to human need.

The grants will not be used for capital projects such as buildings, although we can see the money being used to purchase equipment.

I am sure the money will be well used. The foundation comes at a time when the economic climate makes fund-raising more difficult and

when the agencies face even more difficult social tasks arising from the economic malaise.

Now I would like to turn to our tourism programs. I think the overview of the activities of the sports and recreation responsibilities of my ministry makes it obvious that we live in a very exciting province. Our people are responsive to our programs, and I do not think this will ever change. They continue to ask for more and better. It is our commitment as a ministry to meet that challenge, and I predict the union with tourism and the parks and attractions will enable us to do so in even more varied and fascinating ways.

I firmly believe our people and the communities they have created are a major factor in the tourism draw of this province. True, no jurisdiction will ever, in my view, match the beauty of our north with its untamed wilderness or the overwhelming majesty of our Great Lakes and the resorts and tourism facilities that border them, nor our range of attractions which gently recall our past at such places as Upper Canada Village, Old Fort William and Huronia, and then take us off to the new world through the excellent Future Pod exhibition at Ontario Place.

All these things are indeed important. But it is the Ontario people and their outgoing, active and hospitable lifestyles that make it all work and come together as one of the finest tourism packages in the modern world.

Ontario is not just another US state. Toronto is not just another North American city. This is a refrain we have all heard often in the past. Ontario is unique. Toronto is recognized as a civilized and sophisticated world city with fabulous cultural opportunities in the form of theatre, the Royal Ontario Museum, the Science Centre, the new Roy Thomson Hall and the unique Ontario Place Forum. It is clean, relatively free of violence and it is efficient. It is a city that works, and it works because of its people. That axiom can be applied province-wide to our other cities, towns and villages.

It might not have been as easy to wax as eloquently as this a few years ago. Members will recall we felt then that it was necessary to remind the public through our "We treat you royally" campaign that we had to be nicer to our visitors. We had become too self-assured. We had failed to upgrade our facilities. We were slow to use the modern marketing and packaging tools this vital, fast-changing and competitive industry demands.

That campaign paid off and was the start of an

impressive and solid comeback by Ontario in the competitive tourism marketplace. It created an awareness that tourism is everyone's business and that it is big business.

It was followed by what I believe, and proudly state at every opportunity, is the finest tourism marketing program anywhere: "Ontario—yours to discover!" That campaign has caught the imaginations of travellers from the United States and around the world and has profitably stimulated the interest of our own residents in the vastness and variety of this great province.

I say this with great confidence. Our surveys show the "Ontario—yours to discover!" slogan has a level of awareness in Ontario that equals that of the "I love New York" campaign, considered a forerunner in the field. Our surveys show an 87 per cent awareness level of our slogan among Ontario residents, and another survey showed a 67 per cent awareness in our key US markets in the summer of 1982.

We have achieved these results because our efforts to deliver the message about travel opportunities in this province have never abated. I know that sounds strange in an environment where cuts, restraints and recession are the new buzzwords of government and the business community. But the reason is simple and at the same time dramatic. Ontario's tourism industry is a \$9-billion industry with an impact at every level of our society, not just for those involved in the business, and it brought in an estimated \$1.3 billion in taxes last year alone.

11 a.m.

Tourism is the second largest export industry in Ontario next to auto and auto parts manufacturing. It promises to achieve first place by the turn of the century.

It is in the light of these dramatic statistics that the government decided to stick with a winner. Last year we spent \$19 million on our marketing and tourism programs. This year we are spending close to \$21.5 million. This somewhat bullish approach to tourism promotion reflects not only the pride we have in our province but the realization, shared by the government and the public alike, that it is a highly important growth sector of the economy.

The economic benefits do not just fall to those directly involved in the business. They ripple through the entire community in terms of the wages the industry pays, the goods and services it requires and the new money the tourist brings in. It should be remembered these new dollars enrich the provincial tax base while reducing the tax burden of our own citizens.

I am happy to say our aggressive approach has paid off. We have held our own and better, despite economic turndowns in our traditional marketing areas south of the border and despite some wet and cold weather at the start of the season.

August year-to-date figures reveal we had a 5.3 per cent decrease compared to last year in the number of US visitors crossing the border in cars to spend one or more nights in Ontario. US one-day auto traffic, which soared last year because Americans flooded across the border to take advantage of cheaper gas, is starting to stabilize. We still show decreases in this category since the loss of that differential, but the rate of fall is starting to slow down.

Last June, we instituted an occupancy monitor for various closed-roof accommodation in Ontario. The June to September results show an occupancy rate of 71.2 per cent compared to 74.8 per cent for 1981, which was an excellent year for our industry. To come so close this year while in the midst of doom and gloom represents we feel a considerable accomplishment.

In spite of the poor economies in our traditional marketing areas, and the decrease in our overnight US visitors, the occupancy figures indicate that our positive marketing stance has kept the tourism industry healthy in this province.

Because we did not let hard times intimidate us, we have not skipped a beat in singing Ontario's praises to people in other countries whose lot is bound to improve. When it does they will know Ontario is a good place to come to spend their money.

This kind of success comes partially from our comprehensive marketing program. It includes more than 40 publications, featuring events, camping, accommodations, and the ever-popular travel encyclopaedia. These colourful and helpful books have become powerful sales tools that ensure travellers will be well taken care of when they come across our borders in search of rest, recreation, and adventure.

Ontario—yours to discover! advertising is second to none in terms of the quality of production and in its ability to move the consumer to act on the exciting travel options it presents.

In 1982, the Ontario—yours to discover! campaign was launched in mid-May with the distribution of a 48-page, full-colour daily newspaper supplement to eight million households in Ontario and strategic US markets. Release of the supplement was preceded by a week-long radio campaign across the province and in 12

US cities. This initiative will be repeated in January 1983 when a winter supplement will be distributed in the same markets and will also be supported by a radio blitz.

Some of the key features of the marketing campaign include: four new television commercials highlighting major attractions and recreational activities, a series of 1,000 line spot-colour newspaper ads and bus shelter advertising in Metro Toronto. As well as the supplement distributed in the key border states, we reach the mass US market with a co-ordinated marketing effort comprising television, radio and newspaper advertising.

The US, of course, with 120 million visitors within a day's drive is our key market area. However, we have extended our reach with advertising in national editions of US magazines to attract tourists planning longer vacations. We have also stepped up our promotional activities in Quebec with French-language newspaper and radio ads, which highlight the availability of French-language travel publications and expanded travel counselling.

Looking even farther afield, we have mounted marketing campaigns in the strategic growth markets of the United Kingdom and West Germany. A first this year will be the introduction of our award winning television campaign into the UK market. I am told a friendly beaver wearing an "Ontario—yours to discover! tee-shirt is attracting considerable attention among travel agents and is creating a strong awareness of Ontario as a desirable tourist destination.

We have also developed four-colour advertising aimed at the travel trade in the United Kingdom, Holland, Germany, Japan and the United States.

Mr. Stokes: What do you call him? Reuben?

Hon. Mr. Baetz: We will call him "Ontario—yours to discover!"

This campaign is supported by an aggressive promotional campaign which includes five new films for distribution in Canada, the United States and overseas. As well, we will continue to participate in key international and North American travel shows.

This is followed up by our visit Ontario program which invites journalists from our key market areas to tour Ontario. In the 1981-82 fiscal year we had about 170 travel writers from outside Canada, and so far this fiscal year 123 writers have visited Ontario and have gone back home to tell their readers about the travel adventures Ontario has to offer.

To sum up, Ontario—yours to discover! now

in its third year, is firmly and aggressively in place as a successful marketing campaign. It has almost taken the form of a physical asset or property that, like a good resort, increases in value over time.

This year marked the addition of one important new component, namely Teleguide. Officially launched on September 24, this new technology brings a wealth of tourism information before the eyes of a visitor at the touch of a button. The system is being developed as a major Board of Industrial Leadership and Development initiative in conjunction with the Ministry of Industry and Trade and Infomart. It represents important support for Ontario's fast developing high-technology industry.

However, Tourism and Recreation is the major data provider for this project. Eventually we will have about 6,000 pages of tourist information on the Teleguide data base, which will be capable of access from 1,200 strategically located terminals in Toronto and contain 50,000 pages of recreation and tourism information.

When we launched the Teleguide program at the top of the CN Tower on September 24, there were already 100 terminals in place with 4,000 of our pages of information available to tourists. This is a graphic example of our determination to continue as a winner in the ever more competitive and complex business of tourism.

It has been predicted that the worldwide tourism market will be worth \$120 billion by 1990. We, as a ministry, are committed to ensuring our industry garners its full share. That is the outreach, the aggressive thrusts we are involved in to encourage travellers to come to Ontario; but it is only half the story. The other half is what they find when they get here in terms of resorts, attractions, restaurants, campgrounds and wilderness adventures.

Back in 1978, when we surveyed the travelling public, it became apparent that our tourism plant needed improvement and that the industry operators needed to reshape their thinking and develop modern marketing methods to take full advantage of the opportunities we saw opening up. Accordingly, we mounted several programs designed to achieve these goals. I am now prompted to say we in Ontario have a truly outstanding range of accommodation and truly professional and forward looking operators.

One of the significant achievements in this province has been the co-operation which has developed between the Ministry of Tourism and Recreation and our private sector partners in the tourism industry.

Tourism Ontario represents more than 7,000 hospitality and food service enterprises in Ontario. It is a strong advocate for all matters concerned with tourism and, as such, is constantly presenting us with creative ideas and challenges. By the same token, Tourism Ontario is equally capable of accepting and running with the challenges government sets before the industry.

11:10 a.m.

I feel safe in saying that few ministries enjoy such a positive and co-operative relationship with an advocacy group as we enjoy with Tourism Ontario. Essentially, it results from the fact that we share the same goals: we both want an efficient, first-class and hospitable tourism plant that makes money for the private sector in terms of profit; for the government in terms of increased travellers and that provides jobs for Ontario residents.

Just to remind you again, tourism generated \$1.3 billion in taxes last year, and provided an estimated 541,000 man-years of direct and indirect employment. There is something in it for everyone.

One challenge accepted by Tourism Ontario was to develop a grading or a rating system for accommodation establishments in Ontario. This program is now in its first year of operation, and already more than 650 tourism operators have signed up. Graded properties display the now familiar blue and yellow sign. These properties are also featured in the ministry's accommodation guide. The actual grades are based on a star system from one to five. The customer can therefore relate to those grading systems employed in most other jurisdictions.

The ministry delivers several financial programs to individual tourist operators to develop the Ontario tourism plant.

Our main working partner in our financial programs is the Ontario Development Corp. which administers several tourism loan programs in a co-operative effort with our tourism field consultants and the tourism development branch.

One of our most popular programs is the tourism redevelopment incentive program, commonly known as TRIP. This interest subsidy loan guarantee program is designed to assist operators wishing to upgrade or expand their accommodations or attractions.

Since its inception in 1979, 108 loans have been made, at a value of more than \$35 million. Another low-interest loan program is our tourism term loan which has dispersed more than

808 loans since 1970, totalling more than \$82 million.

I want to stress that all of the above programs represent a significant investment by the private sector in tourism projects, large and small. It is the intention and the philosophy of our tourism loan programs to lever an even greater investment than we are making, through private sector investment.

Another example of such leverage is evidenced in our cost-shared agreements with the federal government. We now have two agreements in place. In eastern Ontario, the eastern Ontario subsidiary agreement has a tourism component worth \$4 million over four years to help fund capital projects, infrastructure, historical restorations and feasibility studies. So far this money is at work on 25 projects across eastern Ontario with nearly \$2 million committed to date.

Another, more recent joint federal-provincial effort is the northern Ontario rural development agreement which also has a tourism subcomponent to fund tourism attractions, marketing programs and feasibility studies. A total of \$3 million is available over a four year period and, to date, over \$500,000 has been committed.

Both of the agreements, EOSA and NORDA, expire in March 1984. Again, they also are designed to spur private sector investment in these projects. In all cases, in our own ODC lending programs and in the subsidiary agreements, working dollars are given to operators who can demonstrate their facility's contribution to tourism, provide evidence of their own management expertise and a willingness to put their own money into projects to increase investment and create jobs.

These loan programs, combined with BILD's heavy commitments to the tourism industry, have resulted in an investment this year alone of \$62.3 million for tourism development. This is a measure of this government's awareness of tourism and our commitment to help operators meet their full potential.

We recently surveyed 200 tourist operators and found that over one-half of the owners of roofed accommodation had real plans to expand their facilities, to renovate them or to do something that requires capital financing. Of this, 60 per cent are planning to apply for some form of government support. The survey does tell us that the province's operators are highly satisfied with our assistance programs.

The true significance of the tourism industry to the Ontario economy is increasing rapidly. If

I may, I would like to take a few moments to deal with the north where the awareness of tourism's importance is growing.

I want to share with you some editorial comments made about tourism by the Chronicle Journal in Thunder Bay recently. The writer observed that it has been difficult to imagine tourism could rival the huge mining and forestry ventures the north has come to rely upon. He pondered these figures released by the Northern Ontario Tourist Outfitters Association, NOTOA, on just one aspect of northern tourism: namely, fishing.

There are over 1,600 fishing and hunting lodges in northern Ontario and in 1981 their direct revenues exceeded \$110 million. Northern Ontario lodges employ 14,700 people. Fifty per cent of the revenues are spent in the local trade areas for supplies, equipment and services. Northern Ontario lodges invest an estimated \$15 million annually in their businesses. Expansion of accommodation and upgrading of lodge facilities account for over 50 per cent of the average operator's investment annually.

After pondering these impressive facts, the editorial writer concludes, "One thing is certain, when an industry can boast growth and expansion in these hard economic times it deserves to be taken seriously and supported by all levels of government."

Mr. Sweeney: All you need is fish in the water.

Hon. Mr. Baetz: We can get back to that. There is no lack of support from this government. We know the figures attributed to northern Ontario can be applied to every region of this province to produce equally startling results.

Our understanding of tourism's potential was underlined in the 1980 report of the Board of Industrial Leadership and Development which included tourism as a major target area for economic growth in the 1980s. That promise of attention and support was translated into action. So far, more than \$100 million has been committed by BILD to projects designed to stimulate and expand our tourism potential.

Let us look at a few examples. There was \$27 million given to the Metro Toronto convention centre. This will be a world class showplace that will put us in direct competition with the top 10 convention centres in North America. I am told the centre will bring in \$150 million new travel dollars in the first five years, and that will cut in half Ontario's \$328 million share of the country's travel deficit. That centre, as you know, is already acting as a magnet to some potentially

large conventions which should do much to see the industry through these bumpy times.

Another \$10.8 million has gone to help the convention centre now under construction in Ottawa. Through an agreement this government has assigned the land options—

Mr. Stokes: Ottawa West?

Hon. Mr. Baetz: No, downtown Ottawa. It is in Michael Cassidy's riding. We all share in it, of course.

Through an agreement, this government has assigned the land options to Timbertown Inc. We contributed 75 per cent towards the cost of exercising same, in the amount of approximately \$350,000. We also agreed to contribute an amount not to exceed \$300,000 for the first phase of infrastructure which is to be based on \$1 for every \$4 of investment raised by the company for other purposes, a maximum of \$3.2 million on the part of the government.

Maximum exposure for the government is estimated at \$3.8 million. This investment would lever an additional \$13 million for Timbertown.

This government has also supported a program to improve services at the Collingwood-Craigleith area for a total cost estimated at \$14 million. Four million dollars will flow through BILD, \$8 million will flow through the Ministry of the Environment and \$2 million through the township of Collingwood. This will establish sewage and waterworks for the Craigleith area development.

11:20 a.m.

On the basis of applications on hand for the development of residential, resort and recreational developments, it can be assumed that some 4,000 units should come on-stream in the Craigleith-Camperdown area in the future, representing an investment of some \$300 million. Theoretically, under phase one of the servicing proposal for Craigleith only, as mentioned above, approximately 50 per cent or 2,000 units could be developed soon after services are available. There are 800 units currently on private systems which could be hooked up to municipal services.

Through BILD we have an agreement with Prudhomme's Landing to provide up to \$1.5 million in the form of a soft loan for on-site infrastructure, subject to evidence from the client to the effect that the financing for the total project is in place.

Mr. Stokes: Prudhomme, that's a good Tory name, isn't it?

Interjections.

Hon. Mr. Baetz: I guess I will continue, Mr. Chairman.

Mr. Sweeney: What is the difference between a soft loan and hard loan?

Hon. Mr. Baetz: Our experts here will explain that very thoroughly and carefully afterwards.

Mr. Sweeney: You have trouble with that too, do you?

Hon. Mr. Baetz: This amount represents 23.6 per cent of the development costs valued at \$6.3 million. The existing facility represents an investment of \$4.5 million, including capital investments of \$1.2 million made in 1981. So you can go down from Kitchener in a hurry and enjoy the magnificent new redevelopment, which will establish a unique entertainment park, themed in a country atmosphere. New elements will include musical reviews, spectaculars, wild west shows, outdoor dramas, plays, concerts and special events. We can all go there and enjoy.

That kind of commitment is evidence of our awareness of the industry and its role as a generator of jobs and wealth. It is an awareness that it is growing across this province, and my ministry is determined to raise that level of awareness even further. We are embarking on a new tourism municipal awareness program which will dramatically illustrate through an audio-visual presentation how local governments can assist the tourism industry and reap some of the benefits the industry can bring in terms of jobs and the local economy.

There are still too many municipal councils that do their planning without taking the needs of tourism into consideration. There are still too many tourism operators who fail to appreciate the importance of making their voices heard at the local level and the need for co-operating with local officials. This presentation and instructive literature will be taken to local municipal groups across the province by the staff in our 18 regional tourism offices.

Consultants in these offices already provide a wide range of marketing, financial and operational consulting to tourist operators. For example, a hands-on marketing guide has been prepared which operators can use to research and develop a professional marketing plan for their business. We are just now working on a financial management guide that will assist operators to implement financial management systems in their operations.

I should also mention our pilot project to provide individual operators with advice from a team of private sector consultants. Ministry

consultants work closely with operators to prepare financial data as a preview to meeting with private sector consultants to discuss operational problems and opportunities. We are arranging such interviews on a regional basis through the district offices.

This past summer we have hired an economist, who is situated in our Thunder Bay office, to help our field staff prepare necessary documentation to assist me in presenting the tourism industry to my colleagues, both provincially and federally. I am determined to ensure that the policies and programs of other ministries and jurisdictions adequately consider and reflect the tourism point of view. In this regard, I am happy to point to the Minister of Natural Resources new moose allocation policy as a sterling example of how two ministries can indeed serve the interests of their own mandates, as well as the considerations of other users of our resources. You can go to northern Ontario and catch fish as a result of this co-operation. There are lots of fish there.

Mr. Sweeney: As a result of moose, I am going to catch fish?

Hon. Mr. Baetz: No, I had talked about fish—

Mr. Sweeney: I fail to see the connection.

Hon. Mr. Baetz: They are both sports; one is hunting, the other one is fishing.

I would now like to say a few words about one of our province's primary assets, our tourist attractions. I have alluded briefly to the decision to place under the jurisdiction of the new ministry several of the outstanding parks and attractions operated by the province.

I regard this as one of the more exciting elements of the new organization and one of the more natural. In a way, the attractions are illustrative of the essential linkage between the tourism and recreation aspects of my ministry. They are the meeting point for tourists who are sports fans at such places as Big Thunder ski jump; for tourists who are campers or boaters at places like the St. Lawrence or the St. Clair parks systems; for tourists who are interested in the arts and crafts of yesteryear at places like Upper Canada Village, Fort Henry, Old Fort William and the Huronia historical sites; and for tourists who like good music and family picnics at places like Ontario Place. I say tourists through all these examples, but I could just as well have turned the description around to say recreationists who become tourists as they pursue their favourite avocations.

The thought I want to leave with you is that

the days of regarding the tourist as a one-dimensional person with money in his pocket looking for a place to sleep and eat are well behind us. Our studies, and I think the success of major world attractions such as Disneyland, tell us that today's tourists want to travel to destinations that can provide them with quality experiences, that afford them opportunities for recreation and the pursuit of personal interests along with the creature comforts the tourism plant is expected to provide. We live in a goal-oriented world; few people are on the road to nowhere these days.

Ontario is richly and well prepared for this modern tourist with a range of quality private and public attractions second to none. The consolidation of government parks and attractions in one ministry is a clear demonstration that this government intends to take full advantage of this key developing trend in the industry to cater to the "whole tourist." The decision to consolidate has also sent a signal to the equally important private attractions that are flourishing in Ontario. It is a way of also telling them that we understand the important part they play in the tourism picture.

Many things are already starting to happen in the attractions field as a result of the consolidation. For instance, an attractions council has been formed for provincial and public sector agencies and attractions. The first meeting of this council took place on October 25 and 26. I am happy to report the attractions people found this meeting a rewarding one and are excited about the potential for their individual operations as a result of this new spirit of co-operation. We are also planning to feature Ontario's attractions on our 1983 calendar. As well, Old Fort William has been used on one of our tourism posters and Ontario Place will be featured on our Grey Cup float.

Aside from the promotional and marketing support the agencies and attractions can now receive, the consolidation also encourages the development of more coherent capital and curatorial policies which shall see steady improvements in plant and collections. These latter concerns are quite important if we want to retain for our attractions the leadership role they now enjoy.

Niagara Falls, of course, is one of the outstanding attractions and the first on the "must see" list of travellers from around the world. The Niagara Parks Commission has cared most diligently for this great natural asset while at the

same time managing to turn a profit on its operations of \$4.7 million in 1981.

Mr. Stokes: I would too if I could get those water rentals from Ontario Hydro.

Hon. Mr. Baetz: That's right.

Ontario Place is undergoing a sparkling renewal. As you can see from the estimates, we are planning to spend about \$1.5 million on refurbishing and developing this prestigious and popular asset, which delights visitors and Ontarians alike with top-line entertainment and amusement facilities. These improvements will ensure Ontario Place continues as a major attraction. One of the success stories at Ontario Place this year was Future Pod, a look at our hi-tech future. It proved so popular, entertaining and informative that plans are already under way to make Future Pod a permanent feature and even enlarge it.

Future Pod was a hands-on, interactive hi-tech display co-sponsored by BILD and the private sector industry. There were 23 exhibits in 17,000 square feet of display space. Many provided the visitor with a hands-on, interactive experience that brought the future that much closer to everyday reality.

11:30 p.m.

The public loved it. Total attendance for the summer show was 674,930 visitors. A striking factor was there was no vandalism, which indicates to us there must have been a high level of gratification at the opportunity presented to actually work with some of the several million dollars worth of equipment assembled for the show. We expect next year's Future Pod to be even better and equally as satisfying.

Let us step back into the past for a moment and talk about another outstanding attraction, Upper Canada Village, which continues to be a major draw for tourists as well as an important custodian of our past.

Upper Canada Village ranks with the top 10 similar historical sites in North America. More than seven million visitors have toured the village in the past 23 years. I am told that Upper Canada Village and the St. Lawrence Parks attracted more than 275,000 visitors this year. This represented an economic impact of close to \$27 million on the region.

The village continues to improve and now is well along in the reconstruction on the site of a period grist mill found in North Augusta. This will actually be milling flour by 1984 and should provide visitors with an interesting flashback to the lives of the pioneers.

Old Fort Henry was a place of particular gaiety this year as it celebrated its 150th anniversary. I was delighted to be present at ceremonies marking that occasion. The fort officials are continually upgrading the quality of their exhibits to reflect the times of 150 years ago.

At this point, I would like to say a few words about the late James Auld, a friend and colleague of many members of this House. While he was chairman of the St. Lawrence Parks Commission for only a year, I can assure you the commission members and the staff were greatly saddened, as we all were, at his death. Mr. Auld had a long and abiding interest in the village and the fort. This was reflected in the energy and dedication he brought to his post. He will be dearly missed.

Equally important, both for the historical perspective they provide the visitor and their role as economic generators for tourism, are Old Fort William in Thunder Bay and Huronia Historical Parks at Midland. Both have enjoyed expansion of their facilities this year, a new maintenance building at Old Fort William and a new visitors centre at the historical naval and military establishment.

To further illustrate the importance of these parks and attractions, I would like to recall the results of an economic impact study on Huronia. It showed the parks in 1980-81 contributed more than \$4.5 million to the economy of Simcoe county. This is expected to reach \$5.5 million in 1982-83.

I think we could say similar things about others like the St. Clair Parkway area with its parks, campgrounds, marinas and beaches, and the Big Thunder ski jump where world-class events place Ontario before the eyes of millions of television viewers around the world. They are an important part of our tourism plant and the reason we continue to advance in a highly competitive marketplace. Of course, this year we will have another addition to that package, Minaki Lodge.

Mr. G. I. Miller: Is it going to get rolling? Is it really going to get off the ground this time?

Mr. Sweeney: I thought you mothballed that one.

Hon. Mr. Baetz: It is going to be great. I am looking forward to it.

Mr. Sweeney: Doesn't that embarrass you guys?

Hon. Mr. Baetz: I want to read to you what a discerning, objective writer said in a recent edition of *Quest* magazine, "Minaki Lodge,

queen of the wilderness hotels, prepared to sparkle again."

Those are the words of Jake McDonald who went to the great northwest to see Minaki Lodge for himself. He said in a very objective observation: "The ultimate effect of a year-round Minaki Lodge may ripple through the entire northwestern Ontario economy. Government officials have spoken hopefully of creating 'another Banff' in Minaki. But even if results fall short of this, the lodge will be an advertisement for the entire region."

Mr. Andrewes: He's a Grit too.

Hon. Mr. Baetz: That is very objective. Yes, he is a Grit, a former critic of the lodge. He went there and was converted on the spot. This is what Minaki has always been about, a focus, a rallying point for tourism in our great and beautiful north. It has been so obvious. I have already mentioned that just one aspect of northern tourism, fishing, generates \$120 million a year. Minaki Lodge marks the start of a new era for northern tourism.

Mr. Sweeney: There are no fish in the lake.

Hon. Mr. Baetz: Minaki Lodge will open next April and it will be a proud opening. The partnership of the Ontario government and Radisson Hotels of Minneapolis has resulted in a first-class facility which will be backed up by an aggressive and creative marketing campaign. The first year calls for a 200-day operation. More than 6,000—

Mr. Sweeney: It's a good Yankee firm, isn't it?

Mr. Kolyn: Are you anti-American?

Hon. Mr. Baetz: I will repeat that.

Mr. Chairman: I think you better repeat that.

Hon. Mr. Baetz: The first year calls for a 200-day operation. More than 6,000 room-nights have been booked.

Mr. G. I. Miller: Booked already?

Hon. Mr. Baetz: Booked already. We predict succeeding years will see improvements as word spreads about this fabulous vacation experience.

Mr. Sweeney: I will believe that when I see it.

Hon. Mr. Baetz: You will have to go there and see it. It is beautiful. I have attempted to sketch for you some of the important programs embraced by the new ministry and convey to you some of the excitement I feel when I consider the ministry's potential, a potential that promises to enrich even further the quality of life of the people of this province, while at the same time placing Ontario in the forefront of the world's most dynamic industry, tourism.

I remain confident about the prospects of the

new ministry. The staffs of both divisions are becoming more aware of the large opportunities before them for the sharing of expertise. They are both forward-looking and assertive areas of activity; the one, recreation, working hard to improve the lives of individuals and communities, the other, tourism, actively promoting this great province, its natural beauty and its energetic people.

I look forward to sharing some of the enthusiasm we at the ministry feel for the job ahead of us as we proceed through in these estimates.

Mr. Williams: Run up the Ontario flag now, please, Mr. Chairman.

Mr. Chairman: I am quite certain all members of this committee share your enthusiasm. I do not know whether there will even be a question, but there may be a few.

Mr. Stokes: That is a partisan comment.

Mr. Chairman: I sense the enthusiasm building here.

Mr. Sweeney: Another name for it is scepticism.

Mr. Eakins: Mr. Chairman, I want to thank the minister for leaving Minaki to the last. It certainly brought us to life. Everyone will be awake to listen to my few comments.

I want to make a few opening comments. There are many other areas of the ministry I want to talk about later on as we get into the estimates. This is important and since it is a new ministry I looked forward to the minister's opening statements. He has made some interesting comments and I am sure, as the votes go along, I will be referring to some of the specific areas mentioned.

I want to associate myself with the minister's reference to the late Honourable James Auld. I certainly agree he was a friend of everyone in the House. Some years ago, he held this portfolio dealing with tourism and, in my municipal experience, I had the pleasure of working with him. He was always a great gentleman and in his quiet way Jim Auld did a great deal for tourism development in the province. We certainly recognize that. Not only in his job as minister, but privately, he was a great help to many areas and I want to associate myself with your remarks.

I would like to speak mainly and briefly about the creation of the new ministry. In these estimates, we witness a new era in tourism, a new ministry with a new minister and new and challenging opportunities. I am not going to go back and rehash a lot of the past because we are starting on a new path here.

When I suggested on a number of occasions

to the past minister the separation of the ministry to give a higher profile to tourism, I could never get his support or encouragement in that area. I am delighted that you have supported the creation of a new ministry. I am delighted you are the new minister.

11:40 a.m.

In one sense, the estimates will be a pleasant change. For the first time since I have been in this House and have been the critic for the official opposition, we do not have to fight for equal time to discuss the tourism estimates. Under the old ministry, we never really did receive equal time for tourism; it was always considered that the industry and trade part of that ministry was more important and more exciting. In fact, I can recall one member attending the estimates wondering when we could get through tourism so that we could get into discussing industry and trade.

I think this proves that even members of the Legislature need to be part of a tourism awareness program. I want to refer to that later, because the minister did make some comments about municipal awareness in one of his earlier speeches, a week or so ago, with which I associate myself.

I would like to take the opportunity to congratulate the minister on his appointment. I wish him well, and I want to assure him that he will have my full constructive support and co-operation.

I want also to welcome Mr. John Sloan on his appointment as deputy minister. Mr. Sloan is a new face in this ministry. With his background in the Ministry of Natural Resources and other areas, he will have an opportunity to play an important part in these early stages of the ministry.

I also want to comment on a personal note. I welcome Michael Walker, who is the ministry's consultant for the area which I represent, Victoria-Haliburton. Mike has been the representative for a relatively short time, but I want to say that his public relations work is excellent and he is a very responsive and responsible young man.

I mention this because your people in the ministry have always been most co-operative and helpful to both myself and our research people, one of whom is Sandy Giles, whether it be on a riding concern or as a critic. It is easy to find fault with our civil servants, but when they do a satisfactory job I think they should also hear the good side as well as the other.

I am delighted that John Laschinger is here

too, because he has been most co-operative and helpful also.

Mr. Sweeney: He is still only going to get five per cent.

Mr. Eakins: During these discussions on the estimates, I will want to know from the minister just what imprint he is going to leave on this new ministry and what his stamp will be on the new Ministry of Tourism and Recreation. You have the challenge of starting a new era in tourism, Mr. Minister, and I have expressed my confidence in your leadership. In building up this ministry's profile, I want to urge you to be aggressive; I want to urge you not to be timid about advancing bold, new approaches. I hope you will take the good from the old, and build on it; that you will show your cabinet colleagues you mean business and that you want a good share of the funding to carry out your plans and commitments.

Whether the separation and restructuring of industry and tourism and the creation of this new ministry will, in future, be considered a positive move, will depend to a great extent on the minister.

The appointment of Mr. Sloan as deputy minister should signal a major step in the direction of closer co-operation with other ministries. I believe that tourism is affected by 12 or 15 other government ministries. We should no longer accept the argument that certain programs cannot be accomplished because they infringe on the prerogatives of other ministries. The minister now has the mandate and he must show the needed muscle immediately.

I want to review a few of these areas. As a new ministry, creating and building on the tourism plant, we have to take a look at what is happening in other ministries.

First, I want to refer to the Ministry of Transportation and Communications, in particular the highway patterns and road signs, because highway patterns have a great deal to do with the promotion of tourism across this province. I want to refer in particular to the development of a highway that is currently under way and that is long overdue, and that is Highway 89, stretching from Highway 400 and 11 eastward to Highway 7 and 12.

We have the creation of Canada's Wonderland, for instance, which I think has a tremendous potential for drawing tourists, visitors from a very wide area of the United States and other parts of Canada. But if we are going to promote the rest of Ontario, the people who visit Cana-

da's Wonderland should have a reasonably accessible route to eastern Ontario.

At present, for visitors to Canada's Wonderland there is no easily accessible route to Victoria-Haliburton, Peterborough, Hastings and other parts of eastern Ontario that I mentioned, unless they go south to Highway 401, follow it east and then head north again.

I think we have to consider the promotion of tourism by urging and supporting better road patterns for greater access for tourists. I believe Highway 89 is in the discussion stage now. It has taken quite a while. This is just one example of how this can help eastern Ontario.

Road signing is another thing. I think the ministry should be aggressive in promoting tourism on our road signs. There is no way whatsoever that anyone can become enthusiastic about tourism by looking at our road signs. Many of the signs do not even indicate certain tourist areas.

I refer again to the great flow of traffic that goes down Highway 401 and up Highway 35-115 in the Lindsay area, which is the start of the great lake country there, and Bobcaygeon in particular. The signing at Highway 35 and 7 indicates only an arrow saying "To Highway 36," which is to Bobcaygeon. I use this as an example, and there are many others across the province.

People in Bobcaygeon have found that many tourists have gone past or have travelled many miles before they stop and ask, "How do you get to Bobcaygeon?" I think this has to be indicated with something that creates some enthusiasm for visiting a particular area; certainly a change of the road signing to indicate where these resorts are.

We should mention to the Ministry of Transportation and Communications that they should have Bobcaygeon on that, because when you leave Highway 35-7 you must go east about a mile and then turn north. But we did not put Bobcaygeon on the sign; it just reads, "To Highway 36." Therefore, people are very mixed up on this great tourist area, and I would suggest that the minister should sit down with MTC and work out a much better highway signing that will indicate our tourist areas. Their policies have been made, but they can be changed; and I think this is one area in particular where the minister should play a leading role. I just use that as one example.

Transportation is another, of course. I have had people tell me that when they arrive at the Toronto airport, for instance, they are looking

for some type of information. I do not know what type of information is there, if any. They are looking for directional information, how to get to a particular area.

For instance, if they are going to Huntsville and then they want to go across to Algonquin Park, there is no transportation, no bus service once you leave the Huntsville area, and this is symbolic of many parts of Ontario right on our own highways. Yet these people complain that they provide a subsidy to help the Toronto Transit Commission and the street bus services throughout Ontario, but many of the areas right on our own provincial highways do not have any access into some of the good tourist areas there.

11:50 a.m.

In regard to MTC, transportation and communications on our highways, I am going to refer to some of the rest areas. I think the minister mentioned that in his opening remarks, but I just want to read into the record a paragraph from a lady who travels along our highways and thinks our rest areas can be improved. At present, they are in a terrible state. Compared to other jurisdictions, we do not really accommodate our tourists with proper rest areas. I will just read what this lady says without referring to her name.

"This early September, we travelled through part of Quebec and around the Gaspé Peninsula on our way to the east coast. We were very impressed with Quebec's facilities available to the traveller, whether camping or using the picnic facilities on their highways.

"There were plenty of rest areas and picnic spots for the traveller, providing well-kept, clean washrooms with flush toilets and sinks. Ontario is a beautiful province and we are proud of it. Our tourist industry is very important, but it is sadly lacking in facilities such as we encountered in Quebec.

"It seems when one is in need of freshening up while travelling on highways, it is often necessary to stop at a place of business and thereby feel obligated to make a purchase. This puts the businessman first and the tourist second, hardly encouraging to our visitors. Along with the price of our gas, our tourist industry is not getting the help it deserves."

This is just one of many comments in regard to the rest areas in the province. I point this out as one of the areas where there should be a greater co-operation with the Ministry of Transportation and Communications to improve our highways.

Mr. G. I. Miller: Can I interrupt to give another example?

Mr. Eakins: Sure.

Mr. G. I. Miller: We stopped in Algonquin Park on Thanksgiving Day, and they have a beautiful rest area there, but it was closed. We had to use a Johnny-on-the-spot, a one-holer with a six-foot hole dug underneath. There were women and men coming to use that beautiful facility, but it was not available to the public; it was locked. I think that has to be ridiculous.

Mr. Eakins: I certainly agree. We have pressed that with the former minister, and we hope that with our new ministry we will see a complete upgrading of our highway facilities, our signing, our rest areas and our tourism information.

I know that in some of the key areas, such as Fort Erie and the Niagara Falls area, there has been an attempt to upgrade the information centres. We need a plan to develop these right across the province as well as comprehensive information centres which provide information and service to our travellers. I hope we will be able to see very close co-operation there.

I hope that Mr. Sloan, who was formerly with the Ministry of Natural Resources, will address the question of our lakes and acid rain and that some time during these estimates you can report to us what effect acid rain has had on the tourism activities in those areas.

I would like to know whether the ministry has made any particular recommendations to the Ministry of the Environment and the Ministry of Natural Resources. What the minister was talking about in his estimates does affect the value of sports fishing in Ontario. It is very important. It is something we have supported.

We would like to see a greater restocking program, and in this regard our party has supported a resident fishing licence. We would support that provided that funding was used to promote sport fishing and restocking in Ontario, but we would certainly not support it on the basis of it going into the consolidated revenue fund to be used for some other purpose.

We feel there are ways of raising the funding to improve tourism and sport fishing in Ontario, and we would certainly entertain support for a resident fishing licence.

Because of the ministry's co-operation with the provincial parks, sometimes we hear from the campground association in regard to the competition which they have with our provincial parks. Both are very important. Although it does not really come under this ministry, I

wonder whether the minister might tell us what costs of the operation of the provincial parks are absorbed by the public; in other words, how much of the operation of the parks is subsidized?

What plans does the ministry have or what has it been doing to promote the private campgrounds through radio reports to travellers?

What input or pressure does the minister intend to put on the Treasurer (Mr. F. S. Miller) in regard to the sales tax on meals, especially at family restaurants? I know there has been a sales drop of some 18 per cent since the sales tax has taken effect, mainly in the takeout restaurants. I would like the minister to comment on that and tell us what he plans to do to use his influence with the Treasurer in that regard.

I recall it was our position that the 10 per cent sales tax on meals was too high because there was no other area that was subject to a 10 per cent sales tax. We felt that seven per cent was sufficient, or that it should be even lower, and that the exemption should be raised from \$6 to perhaps even \$10.

The sales tax was lowered, but then the exemption was removed completely. I believe we are the only province in Canada that does not have an exemption line of at least a few dollars. I think every other province has an exemption of \$3 or \$4. Ontario is the only one without an exemption, and I believe some provinces do not have any tax whatsoever. This should be reviewed.

I wonder whether the minister might also comment on the imposition of the tax on disposable items and how this has affected the hotel-motel industry. What comments has he had from them? I think the minister will agree that the Treasurer's budget was certainly not a tourism budget.

I believe the minister touched briefly on the "We treat you royally" program and the "Ontario—yours to discover!" program. I agree that "Ontario—yours to discover!" has been a good program. It continues to be a good program and it is certainly helping to offset the great strides the "I Love New York" program was making. I associate myself with the program, and I think it is something that should be continued.

I am not so sure about the success of "We treat you royally." I think this is something that should continue, but I think it has been sort of left in limbo. I think the intention when it started out was good, but it has not been continued. I think it has been left to certain areas to create their own "We treat you royally"

program, and as far as I can see I think it has pretty well dropped by the wayside.

It bothers me somewhat, especially in Toronto at some of the hotels, to see people when summer comes along, about May 24, start spreading these "We treat you royally" buttons. I do not think they know what it means. Some of them never even raise their head to greet the visitors. Some of the taxi drivers in Toronto do everything but treat you royally. I think we could start our program with them. Some of them never even speak when their clients enter the cab.

Have you ever purchased tokens at a TTC booth going into the subway? How many ever say, "Thank you," "Have a nice day," or something like that? They never answer. I think there is such potential for the "We treat you royally" program that it should be continued and expanded. I think there should be as much effort put into that as there is in "Ontario—yours to discover!" They are both good programs, they are complementary, but I think the "We treat you royally" part has been left in limbo and to get along as best it can. I support that program. I hope the minister will not let it drop.

There are a number of other areas that I want to touch on briefly. I know as we get into the votes we can enlarge on them. The linking of tourism and recreation certainly makes a lot of common sense. I would like to hear more about the ministry's future plans for this linkage.

The minister some time ago did a tour, looking at domed stadiums. I would like the minister to bring us up to date on what is in the plans for a domed stadium. I think there is a lot of benefit to be derived there. I would like to know what he has to report in that area.

12 noon

The farm vacation program is another area I was hoping the minister might touch on. It is being conducted in combination with the Ministry of Agriculture and Food, which has been supplying some funding for it, but it is a tourism program as well. It is very active in other provinces. It is becoming more active in Ontario. It has been quiet for a long time, but there is a lot of potential here in which people can enjoy the countryside, to take a look at the farming operations. Also, it can mean dollars for the people in the rural parts of the province.

It is very active in other countries. They have very strong associations in Europe, in England, Ireland and those countries. Also, provinces in eastern Canada and Saskatchewan are very strong in the farm vacation field.

Mr. G. I. Miller: Prince Edward Island has one.

Mr. Eakins: Yes.

Mr. G. I. Miller: It is a good program.

Mr. Eakins: Some people, such as Vince Mumford, will not stay at a place other than those involved in the farm vacation program. It has a lot of potential for our tourism.

I want to associate myself with the minister's comments both in his statement and in Haliburton about the municipal profile. Now that we have our own new ministry, it is important that the municipal people be aware of what tourism means to their areas. When people talk about wanting to have industry locate in their community, they forget that tourism is one of the greatest industries they could have. I am glad the minister mentioned he is going to start, through his ministry's regional office, a municipal awareness program for tourism. It could mean a lot.

I am very pleased that in the area I represent—and the minister recognized this during his visit to Haliburton, which we appreciated—certainly one county now has recognized the great potential of tourism. It is contributing accordingly, financially, to the Haliburton Highlands Chamber of Commerce, and the people up there, through Bob Stinson, are doing a super job on tourism.

Victoria county council has just introduced a resolution to look into the feasibility of setting up a tourism division, similar to their planning department; so it looks as if they are on the move there too. There is a lot of potential. I am glad to see the minister is going to promote municipal awareness of tourism.

I want also to say that all parts of Ontario are important to this ministry, and we have to make sure we support all parts of the province. We should not rob one area for another.

I want to refer to the world-class canoe museum in Haliburton county, the Kanawa canoe museum. There has been pressure, and some studies, to have it moved elsewhere but I cannot think of a better place to have it than where it is now located. I realize it is generally privately operated, but with a better location, better advertising—which it has not had—it will be able to show itself off to the whole of Ontario. Haliburton is a tremendous tourism area.

It also complements another world-class area which was not mentioned in the minister's comments—but perhaps there is a reason for it—the Minden Wildwater Preserve. This is a

kayak championship run at Minden. It is a beautiful place. I hope as time goes along more people will come to know the potential of this.

Last year the Canadian kayak championships were held there, and September 1 of this year saw the pan-American championships held there, with young people from something like 12 countries competing.

Mr. Sloan of the Ministry of Natural Resources has been most helpful in redesigning that course. It was a case of great co-operation. The ministry, through Wintario, has been of great assistance, and through Mr. Roger Parsons, who is the spearhead of that venture.

With that type of operation, it would be a tragedy to see the Kanawa world-class museum move from Haliburton to another area. One complements the other.

Besides, there is also Bark Lake Camp. I am surprised many members of the Legislature do not even know what Bark Lake Camp is, where it is or what it does. These things tie in together; the canoe museum ties in beautifully with Bark Lake and with the wild water preserve there. These are things with which we have to strengthen tourism throughout the province.

I hope also at the start of this new ministry the minister might provide a tour of his facilities for an all-party committee. Too often we sit around these tables talking about what should be done for tourism or some other ministry and many of us are not even aware of the areas we are involved in.

Some of our community colleges, for instance, offer tourism programs. The Minister of Natural Resources recently opened the third phase of a unique college, the Frost campus of Sir Sandford Fleming College in Lindsay, and I think it holds a tremendous potential for tourism.

We should be taking a look at some of the areas that government has invested in and people are interested in. We should get out and take a look at our tourism facilities. It should be an all-party committee. I think then when we come back and sit around the table and talk about building and bettering the opportunities, the minister will have greater support from the members of the House and they will have greater knowledge.

These are some of the things I would like to see, starting off with a fresh approach and—

Mr. Stokes: When do you want to go to Minaki?

Mr. Eakins: I would love to see Minaki.

Mr. Sweeney: Is there a train leaving at two o'clock?

Ms. Fish: No, it is a bus.

Mr. Eakins: I am open to travel Ontario. I would like to see it.

The minister also made some reference to the effect that the federal-provincial tourism agreements perhaps would replace DREE or be complementary to it; I am not just sure which. Perhaps at some time the minister might enlarge on that.

It is my belief that in the past other provinces have signed agreements for tourism. I know that British Columbia, Alberta and Quebec have signed agreements; but, unless I am misinformed, I do not believe Ontario has signed an agreement with the federal government in this area. I hope it will come about. The minister might enlarge on that possibility.

I am also anxious to know from the minister just how tourism marketing will be improved under his leadership.

There are a number of areas which I could speak about, but I am going to stop. I would like to discuss more fully some of the areas under the different votes.

I am delighted that our party has fully supported, during our task force and in questions in the House, the creation of this new ministry. We feel it is a step in the right direction. The opportunities are there and I hope that as a result, all Ontario will benefit from this new ministry.

12:10 p.m.

Mr. Chairman: Mr. Stokes, do you wish to start now?

Mr. Stokes: Have we got until 12:30 p.m.?

Mr. Chairman: Yes. Perhaps the minister could respond at the next meeting, or when you finish. Presumably that will be at the next meeting.

Mr. Stokes: Mr. Chairman, in monitoring the first few months of operation of the new Ministry of Tourism and Recreation, I am pleasantly surprised. I have had an opportunity to read a good many of the comments made by the minister as he travels throughout the province and to look at the background and the qualifications of the people who have been attracted to this new ministry. Again I am pleasantly surprised.

When one reflects upon the overall state of the economy, world-wide, North American, Canadian, and specifically the province, where we see a good many layoffs, a lot of hardship and a lot of worry about where we are going in the

immediate and longer-term future, one has to wonder why the tourist industry is the one area that has withstood the economic onslaught better than any other I am aware of.

When one sees what is happening in the forest industry, where there are cutbacks and layoffs of which we are obviously aware, and when one sees what is happening in the mining industry as it affects areas such as the Sudbury basin, where there is nothing but doom and gloom and more of that certainly in the immediate future, one wonders about this obvious anomaly of the tourist industry holding its own.

In talking to some of the tourist operators, particularly in northern Ontario, one finds that they have had a better year this year than last; the occupancy rate in a good many areas has increased over last year.

One has to come to the conclusion that, notwithstanding the fact we have got more than 500,000 unemployed in Ontario, and about three times as many across Canada, people generally still have money to spend, if they feel they are getting value for their dollar.

This is a recent conversion on my part with regard to the tourism industry in Ontario, and particularly in northern Ontario. I come from an area of the province where the potential for tourism is seasonal, much more so than any other, because of climatic conditions and because of our harsh winters. We know those who make their living through tourism have to rely on a very concentrated effort over a very brief season of four to five months in order to eke out a livelihood in the tourist sector.

Notwithstanding all that, they are doing very well. They are doing better than the primary resource sector. That leads me to believe that, with the leisure time a lot of people are going to be faced with because of work sharing, because people are living longer and because of the population shifts where people are looking for retirement at a much earlier age than ever before—a good many of them are looking for that at age 55 as opposed to 65—your comments with regard to recreation and providing an opportunity for people to lead a fulfilling life in their leisure time, are apt.

Obviously it is an area that not only this ministry but any ministry at the provincial level and every department at the federal level is going to have to become concerned about. I see a real opportunity through this ministry to address a good many of the economic woes that face people generally in the province, while at the same time contributing towards at least the

start of coming to grips with some of the social implications of a fast and ever-changing society. I want to make it quite clear. I see tourism as an industry that has one of the greatest futures of any sector or segment of our Ontario economy.

Before I get into some specifics, I also want to associate myself with two other observations that were made.

Very briefly, I want to echo the sentiments expressed by the member for Victoria-Haliburton (Mr. Eakins) in regard to the unexpected passing of James Auld who was well-known, highly regarded and respected by all around here who knew him. It is most unfortunate that, at a time when he could have made an even greater contribution to that area of the province he represented for years, with his vast knowledge of tourism and the potential in eastern Ontario, he will not be able to continue to make that kind of contribution which is so important to eastern Ontario, where the potential for tourism is great, in much the same sense as I view the potential for this industry in northern Ontario. It is indeed unfortunate that he should have been taken away when he was just entering a new stage of his contribution.

12:20 p.m.

In the sports field, the people in this new ministry have indeed served us well in terms of our ability to compete in sporting activities and competitions, not only in Canada or in the Commonwealth but on the world scene.

The facilities that are available and the expertise tend to be centred around the highly urbanized areas of the province. However, to the extent we are doing anything with regard to assisting our athletes it is obviously paying off. I hope as this group continues to grow and become better equipped to do the things it does, it will take into account that we have tremendous potential in areas other than the highly urbanized ones. As we go through the votes I am sure that will become more apparent.

One of the difficulties I see in achieving the goals you spoke of, Mr. Minister, is the way in which the administration in this province is structured. I am talking about the policy fields and the obvious conflicts between the mandates that are given to ministries such as Natural Resources, Northern Affairs, Trade and Industry and this new ministry.

We completed the estimates of the Provincial Secretariat for Resources Development just last evening, and to a very great extent this is the source of my worry and concern. It all makes very good reading for the new Provincial Secre-

tary for Resources Development to speak of the very close relationship and close consultation that exists between ministries in that field. But I know personally that is not the case.

I would be even more disturbed if I felt the overall thinking within that policy field was in any way going to detract from the excellent base you and the very competent people in your ministry have built up in the short time you have been in existence as the ministry responsible for tourism and recreation.

Notwithstanding the obvious conflicts there are in that policy field, and the perception I have personally about the inability of that policy field to show any kind of leadership, I sincerely hope the people in this ministry will be strong enough to assert the kind of direction you anticipate for it. I refer to what you have said as you travelled throughout the province, reinforced by what I consider to be a very excellent opening statement.

It was glowing. It has very flowery prose in it. Most of us who have been around here for a fair length of time can separate the wheat from the chaff. But I think we can look forward to the future with a good deal of optimism for tourism, recreation and sports and enhancing those opportunities for the benefit of the entire pro-

vincial economy and the 8.5 million people in Ontario.

I do have some very specific things I want to draw to your attention, Mr. Minister. That should be done in my opening statement so you and people in your ministry will have an opportunity to react to them. They are all positive statements. They will not emphasize so much what you are doing wrong—I found it very difficult to find anything—but they are designed to assist you in doing an even better job, more particularly with regard to tourism but also dealing with recreation and sports.

Since the time for adjournment is now upon us, I want to close off this portion of my remarks by saying I have never been more optimistic about the potential for this ministry. Several years ago, I was the critic for the then Ministry of Tourism and Recreation, when Jim Auld was responsible for it.

It is one of the few bright spots I see for a tremendous potential that will accrue to the benefit of everybody in Ontario. I would like to get into some of the more detailed remarks and constructive suggestions when we meet again on Thursday night.

Mr. Chairman: It is now past 12:30. We will adjourn until eight o'clock tomorrow evening.

The committee adjourned at 12:31 p.m.

CONTENTS

Wednesday, November 3, 1982

Opening statements

Mr. Baetz.	R-665
Mr. Eakins.	R-680
Mr. Stokes.	R-685
Adjournment.	R-687

SPEAKERS IN THIS ISSUE

Baetz, Hon. R. C., Minister of Tourism and Recreation (Ottawa West PC)
 Eakins, J. F. (Victoria-Haliburton L)
 Fish, S. A. (St. George PC)
 Harris, M. D. Chairman (Nipissing PC)
 Kolyn, A. (Lakeshore PC)
 Laughren, F. (Nickel Belt NDP)
 Miller, G. I. (Haldimand-Norfolk L)
 Stokes, J. E. (Lake Nipigon NDP)
 Sweeney, J. (Kitchener-Wilmot L)
 Williams, J. R. (Oriole PC)

From the Ministry of Tourism and Recreation:

Sloan, J. R., Deputy Minister

BINDING SECT. SEP 20 1984



3 1761 1146626 6